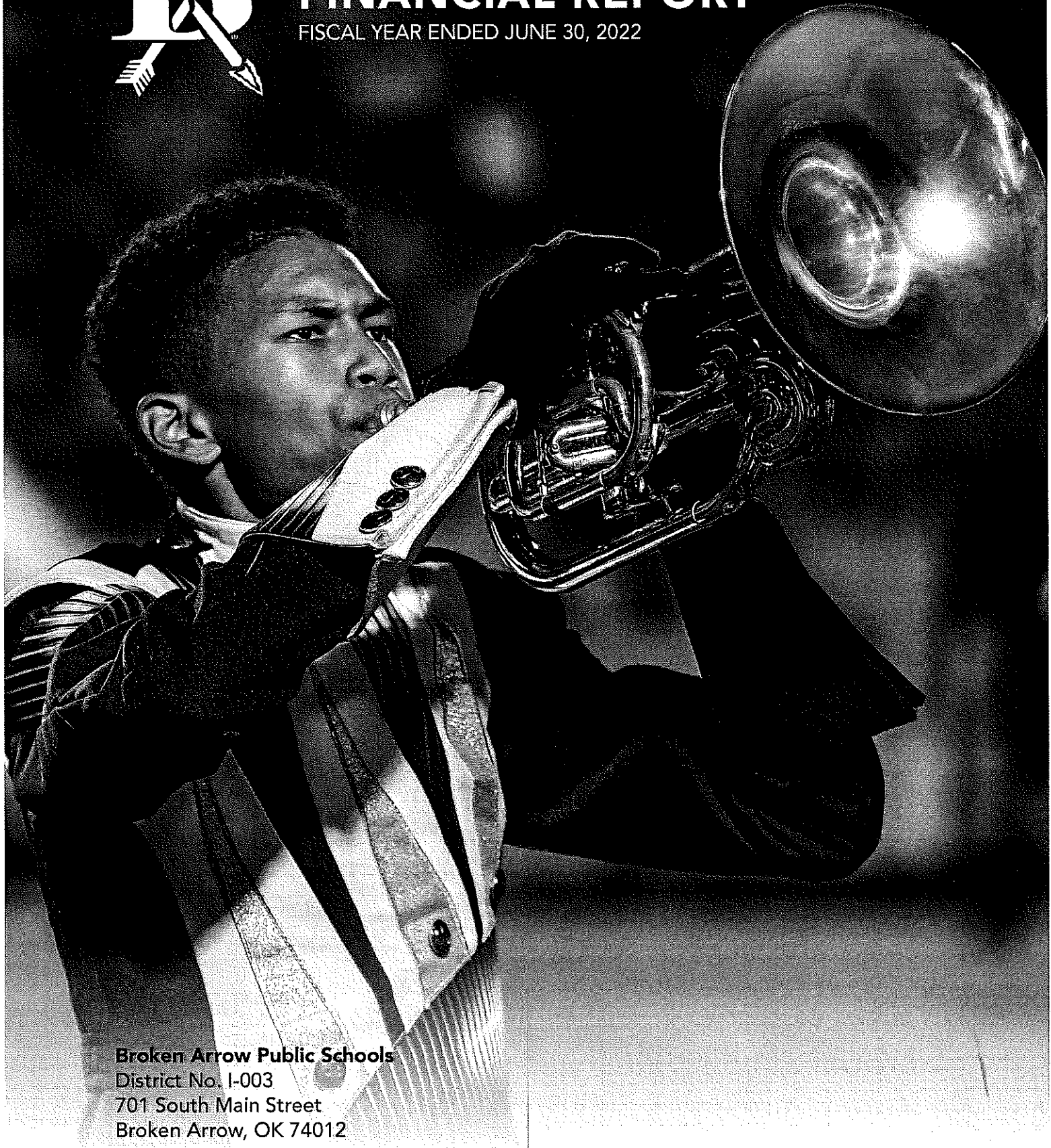


ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



Broken Arrow Public Schools
District No. I-003
701 South Main Street
Broken Arrow, OK 74012



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING JUNE 30, 2022

Prepared By:

Department of Finance

Natalie Eneff

Chief Financial Officer

Megan Frederick

Director of Financial Reporting

Broken Arrow Public Schools

District No. I-003

701 South Main Street

Broken Arrow, Oklahoma 74012



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2022

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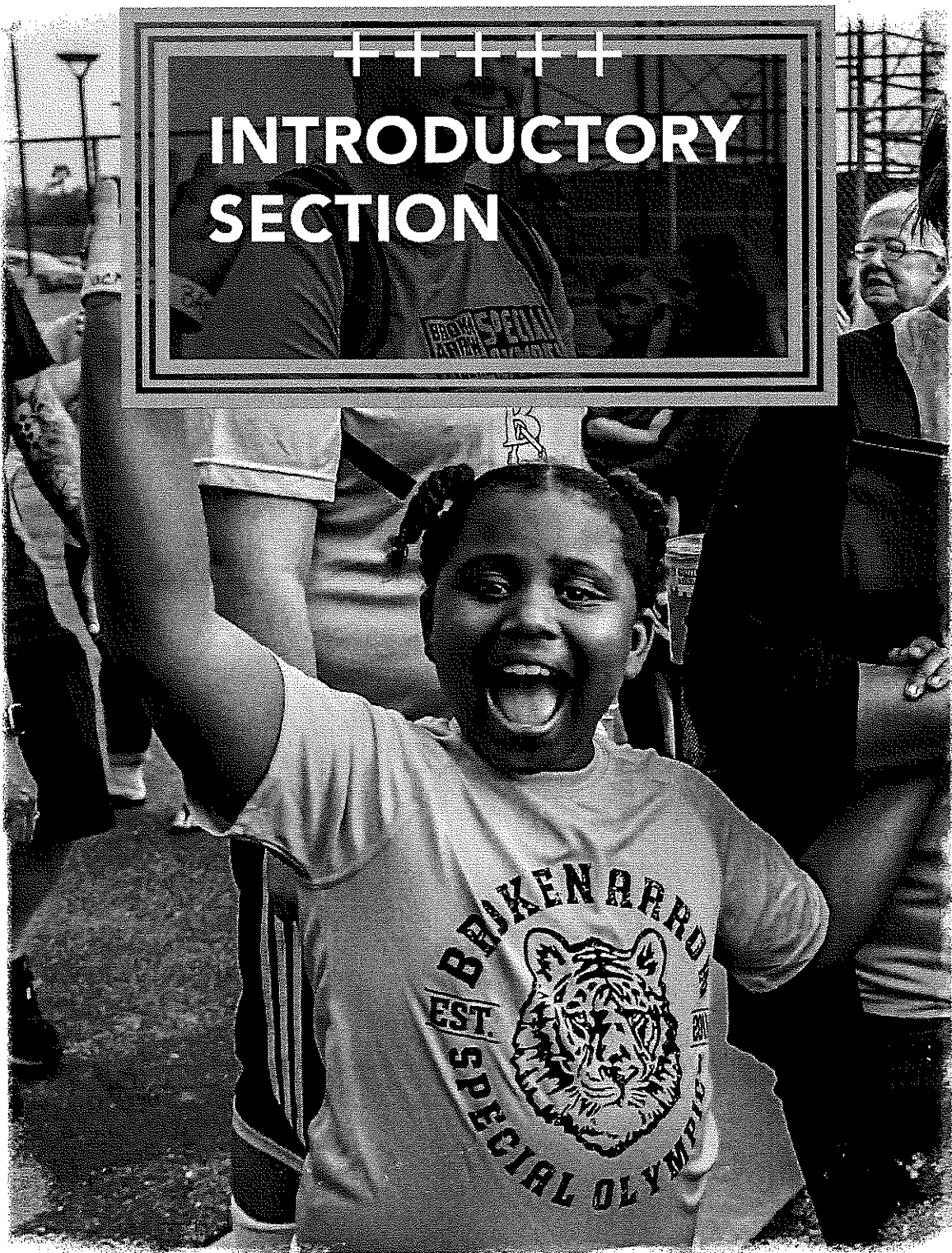


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December 5, 2022

Citizens and Governing Board of Education
Broken Arrow Public Schools, District I-003
701 S. Main Street
Broken Arrow, OK 74012

Management hereby presents the Annual Comprehensive Financial Report ("ACFR") of Broken Arrow Public Schools, Broken Arrow, Oklahoma for the year ended June 30, 2022. This report was prepared by the District's Office of Finance. State law mandates that school districts undergo an annual single audit and publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with auditing standards (GAAS) by a firm of licensed certified public accountants.

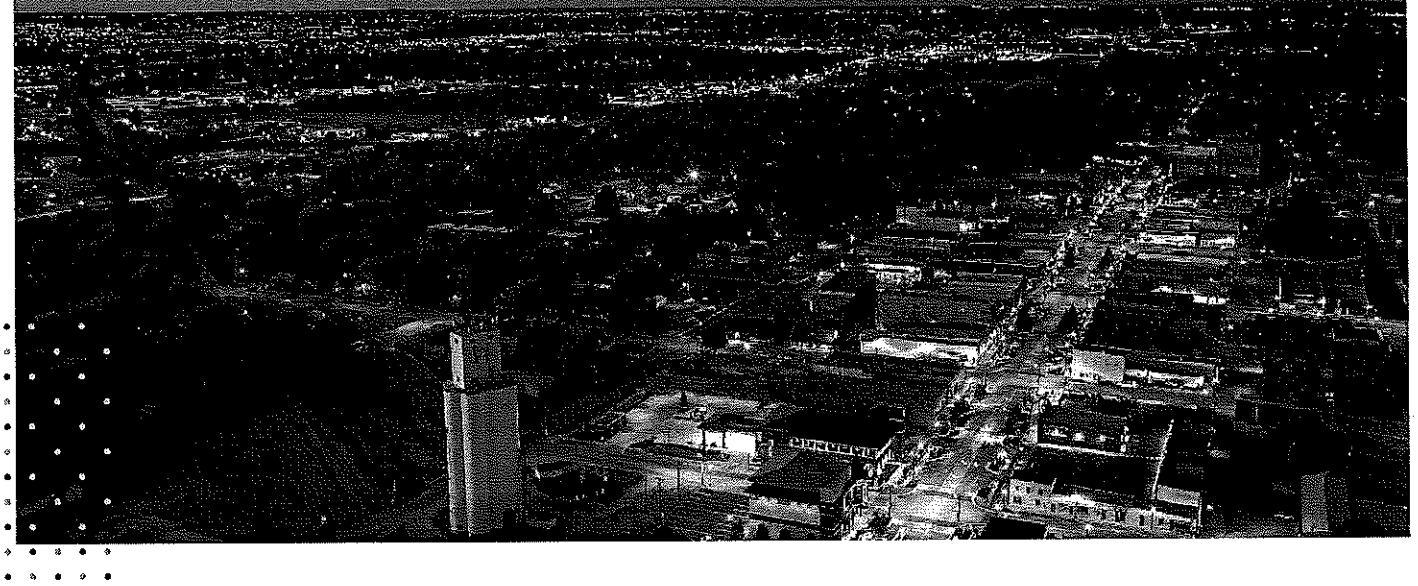
Management of the District assumes full responsibility for the completeness and reliability of all of the information presented in this report and provides reasonable assurance that its financial statements are free of any material misstatements.

To provide a reasonable basis for making these representations, the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to gather sufficient reliable information for the preparation of the District's financial statements. The cost of internal controls should not outweigh their benefits; consequently, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Internal offices of the District, namely the offices of Accounting, Budget, and Accounts Payable, regularly review expenditures of district funds and perform selective and random reviews of operations and controls further ensuring that this report is complete and reliable in all material respects and in conformity with GAAP.

The District's Management Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a required narrative introduction, overview, and analysis of the Basic Financial Statements to be read in conjunction with this letter of transmittal.

The District's financial statements have been audited by Jenkins & Kemper CPAs, P.C. As part of the federally mandated "Single Audit" requirement, Jenkins & Kemper CPAs, P.C., also performs an annual audit of the District's internal controls and compliance thereto with legal requirements involving the administration of federal awards and grants. The Single Audit is designed to meet the needs of federal grantor agencies. These reports are available in the District's separately issued Single Audit Report.

DISTRICT PROFILE



LOCAL ECONOMY & HISTORY

The city of Broken Arrow is a suburban community located in northeastern Oklahoma, primarily in Tulsa County with a small section of the city in western Wagoner County. It is the largest suburb of Tulsa. According to the U.S. Census Bureau, Broken Arrow has a population of more than 110,000 residents and is the fourth largest city in the state. It is one of the fastest growing cities in the state, doubling its population since the 1980s.

The city's name comes from an old Creek community in Alabama. Members of that community were expelled from Alabama by the United States government, along the Trail of Tears in the 1830s. The Creek founded a new community in the Indian Territory and named it after their old settlement in Alabama. The town's Creek name was Rekackv (pronounced thlee-Kawtch-kuh), meaning "broken arrow." The new Creek settlement was located several miles south of present-day downtown Broken Arrow.

In the 1960s, Broken Arrow began to grow from a small town into a thriving suburban city. The Broken Arrow Expressway was constructed in the mid-1960s and connected the city with downtown Tulsa, fueling rapid growth in Broken Arrow. The population swelled from a little above 11,000 in 1970 to more than 50,000 in 1990, and then more than 74,000 by the year 2000, with current population at over 110,000. During this time, the city was more of a bedroom community. In recent years, city leaders have pushed for more economic development to help keep more Broken Arrowans working, shopping and relaxing in town rather than going to other cities.

Named one of the most affordable suburbs in the south by Business Week, Broken Arrow is also considered one of the safest cities in the nation. The city's large land area lends itself to all the best aspects of suburbia, while the low commute times and excellent traffic grid management make



getting where you need to go easy. Broken Arrow makes it possible to get that suburban feel without being far from the action. The Rose District with the Broken Arrow Performing Arts Center and variety of restaurants and specialty stores remains the heart of Broken Arrow's entertainment scene. Broken Arrow is home to a wide range of businesses and industries. In fact, the city is ranked third in its concentration of manufacturers in the state. In addition to the booming manufacturing industry, aerospace and aviation, healthcare and social assistance, business and professional service, and retail all contribute to making Broken Arrow an attractive city to live and work.

Broken Arrow continues to attract new businesses and homeowners because of the low cost of doing business and living. With a sales tax rate of 8.42%, one of the lowest in the state, the community prides itself on creating a business friendly environment to help attract and retain top companies to the city.

Broken Arrow has been repeatedly recognized on a national level. USA Today named the Rose District as one of its most charming main streets. Broken Arrow also garnered the 29th spot on the publication's 50 Most Livable Cities list. At the U.S. Conference of Mayors, Broken Arrow was named one of the "Most Livable" cities in America. Finally, Business Insider ranked Broken Arrow among the American cities with the lowest violent crime rates. Business Insider published its list of 40 cities, placing Broken Arrow at No. 9 with 6.1 violent crimes per 10,000 residents.

Broken Arrow Public Schools has four early childhood centers, 16 elementary schools, five middle schools, one ninth grade academy, one alternative academy, one STEM facility and one senior high school- all of which combine to provide services to more than 19,000 students. Students in grades K-5 attend elementary schools. Of the 16 elementary schools, 12 are grades K-5, one is configured to serve students

in grades K-2 and one houses students in grades 3-5. Middle schools serve grades 6-8. The high school is composed of two sites - one freshman academy for students in ninth grade and the senior high school for students in grades 10-12. All campuses are fully accredited by the state of Oklahoma and the North Central Association of Secondary Schools and Colleges.



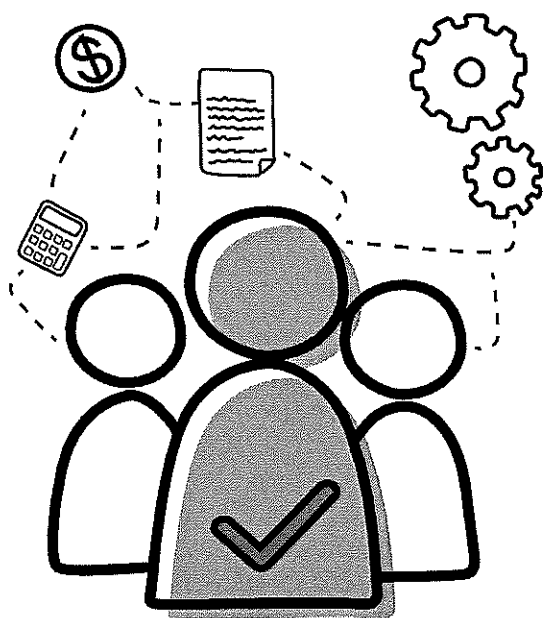
RELATIONSHIPS TO LOCAL GOVERNMENTS

Broken Arrow Public Schools values its relationship with other governmental entities. The City of Broken Arrow, Chamber of Commerce and BAPS exchange representation on boards and committees to promote communication and collaboration between entities to improve the quality of life in Broken Arrow. Further, BAPS is represented on the Broken Arrow Economic Development Corporation Board (BAEDC). Focusing on creating wealth, jobs and economic growth in the community through attraction and retention of businesses, workforce development, education and collaboration with regional partners, the BAEDC is governed by directors that serve as representatives of the business community, the City of Broken Arrow and the school system.

Broken Arrow uses the council-manager model of municipal government. The city council consists of five members with four members elected from the four city wards and the fifth member as an at-large member. Each council member serves for a two-year term and is eligible to serve for four years. Out of the council members, a mayor and vice-mayor are chosen every two years. The day-to-day operations of the city is run by the city manager who reports directly to the city council.

BUDGETARY CONTROLS

Broken Arrow Public Schools utilizes budgetary controls to ensure compliance with legal appropriation limitations and to provide an operating plan for the district's resources. At the beginning of each fiscal year, BAPS completes an Estimate of Needs report. The County Excise Board then approves the appropriated funds for the legal budget. The Board of Education is required to approve the budget within 45 days after the County Excise Board approves the Estimate of Needs. Once the Board of Education approves the operating budget, any changes to appropriations must be approved by the Board of Education.



THE ANNUAL BUDGET SERVES THREE PURPOSES:

1. It is the financial plan for the district for the fiscal year, reflecting goals and priorities at the individual, departmental and district level.
2. It is a management tool for the administrative staff and provides primary control to direct and limit expenditures.
3. It represents planned fiscal activities of the district to the employees, students and patrons of the district. The level of budgetary control is maintained by fund and by project. Individual line items may be adjusted without Board action, but total budgeted expenditures may not exceed appropriations at the major fund level without Board approval. The district utilizes an encumbrance system as a technique of budgetary control with encumbered appropriations lapsing at year end.

Overall responsibility for the budget rests with the chief financial officer under the direction of the superintendent. The chief financial officer develops procedures for budget control and reporting in accordance with state and federal laws and regulations, board policy, and proper internal controls.

During the 2021-22 budgeting process, one of the critical goals was to maintain a well-established fund balance. This fund balance helped combat inflationary items such as insurance, utilities, food and fuel. Additionally, it helped protect the district against uncertain state funding, and helped prepare for the expiration of one-time federal relief funding.



ADMINISTRATION

The administration of Broken Arrow Public Schools is separated into nine divisions with different departments in each division:

- The Superintendent Services Division is responsible for working with the Board of Education to ensure the educational goals and mission of the district are executed, while also coordinating district functions and overseeing the district's strategic plan.
- The Instructional Services Division is responsible for ensuring academic accountability at the state and federal level, while also implementing initiatives and support services that enhance academic performance. The team manages the district's instructional technology including the 1:1 initiative and the virtual learning program. The instructional services team also oversees campus security and student health services.
- The Student Services Division provides opportunities for student engagement through fine arts, athletics, student leadership and all other co-curricular activities.
- The Operations Division is charged with ensuring student, teachers and staff have a safe and clean learning environment. The operations team oversees capital improvement and construction, maintenance, plant operations, custodial services, facility rentals and the warehouse.
- The Business Services Division is responsible for managing the district's financial operations, including financial reporting, accounts payable, treasury, purchasing, student activity funds, risk management and federal finance. The business services team also oversees district contracts and the financial audit.



- The Human Resources Division is responsible for overseeing the payroll, benefits and records of all district employees. Their team is responsible for recruitment and retention of employees, coordinating district substitutes, Title IX and Board of Education policies.
- The Technology Services Division is charged with managing the district's network and infrastructure and works to support the technology used every day by students, teachers and staff. The division also oversees student data management and enrollment.
- The Support Services Division oversees transportation, child nutrition, and the district's before and after care program.
- The Communications Services Division manages media and community relations, internal and external communication, all of the district's social media channels and the videography team, ArrowVision. The communications team works to ensure the district's brand is used correctly and oversees the school spirit store, Tiger Threads.

BOARD OF EDUCATION

The Broken Arrow Board of Education is an elected board and enjoys an excellent reputation for selfless service to the community. Board members tackle the enormous job of governing the school district while preserving the core of our democratic values.

The Board is responsible for establishing policies under which the school system operates, adhering to Oklahoma and federal laws, and balancing the unique needs of the community. As citizen leaders, individual school board members face complex and demanding challenges, contributing hundreds of hours each year to effectively lead the district.

The Board of Education is comprised of five board members, each representing one of the five zones within the district. Each Board member serves a five-year term in office, and annual elections are held each April.

The Board of Education plays an invaluable role by promoting and supporting the mission and vision of the district



PROJECTED ENROLLMENT

Broken Arrow Public Schools has seen relatively steady enrollment growth over the past decade. In fact, BAPS' population grew more than three times the national rate between 2010 and 2020. Since 2000, the population in Broken Arrow has increased by 2,281 a year - the strongest in the region.

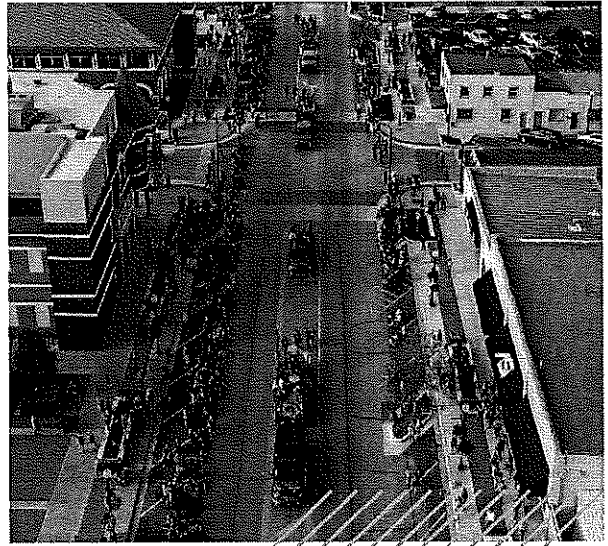
Based on independent research of birthrates, the resulting prediction model of BAPS projects an enrollment of 20,298 students by 2024. This, of course, would be based on the same rate of growth during the next 10 years as has occurred during the last 10 years. Low-end projections call for a gain of 1,527 new students in the next decade, indicating that BAPS' school-age



population will grow more aggressively during the next decade than it has during the last decade.

The prediction model indicates that the 0-4 year-old population in the district should grow about 0.7 percent annually from 2013 through 2018, increasing single year of age cohorts from an average of 1,545 children today to 1,633 in 2023. The 5-14 year-old population is estimated to average 1,397 per cohort currently and is projected to grow by 1.4 percent annually through 2018 and then 0.5 percent annually through 2023, increasing cohort sizes to 1,494 in 2018 and 1,531 in 2023. Finally, the 15-18 year-old population is projected to grow by 1.8 percent through 2018 and 1.1 percent for the years 2018 through 2023. Thus, these projections imply that growth could taper off in a decade, as the higher growth rates are for older children (due to the boom in the mid-2000s to present) and the lower and slowing growth rates are for the elementary and preschool-age children.

Districtwide, school-age populations are projected to grow by about 1.5 percent annually through 2018 and less than half that rate, 0.7 percent, from 2018 to 2023.



HISTORY OF DISTRICT BUILDINGS

Even though Oklahoma would not become a state until 1907, Broken Arrow residents were ahead of their time and valued education for their children. In 1904, a two-story school building was constructed on Main Street Broken Arrow from a 2 percent sales tax initiated by the community. The first Broken Arrow High School senior class graduated in 1908 with only three students.

In 1924, Broken Arrow's first school building was damaged by a fire, and because of the damage, the structure was razed. The facility was later rebuilt on the same site and utilized for decades to educate children living in the community.

In the early 2000s, the building was repurposed and called Central on Main. Today it serves as the home to the district's enrollment center, administrative offices and a community ballroom. It is also listed on the National Register of Historic Places, serving as a reminder of Broken Arrow's rich educational history to all who pass through the doors.

Since then, Broken Arrow Public Schools has given generations of students an excellent education.

NET ASSESSED VALUATION

The district's net assessed valuation (NAV) refers to the local property wealth. For 2021-22 school year, the NAV was \$1,117,173,981. Since 2000, the district has seen a steady increase in the NAV, which has grown at a rate of 3 to 4 percent each year. The NAV determines the bonding capacity of a district and has been critical for BAPS as it passed school bonds for capital improvements needed to serve its growing student population. This has been a key figure as a sign of the district's positive economic position.

CORE VALUES

The students and staff at Broken Arrow Public Schools continue to find meaning in the district's four core values, especially during a global pandemic. These four core values support the district's vision and help shape culture, both internally and externally.

1. We embrace the responsibility of our calling.

Each of us is accountable to serve our students, our district and our community. We do it with honesty, integrity and transparency

2. We are passionate about learning.

We consistently seek new ways to lead and follow our students into the future.

3. We are a student-focused, relationship-driven school district.

We strive to engage our students and community through kindness, compassion and empathy.

4. We celebrate and find strength in our diversity.

It takes people with different ideas, interests and backgrounds to drive our district forward.



COMMUNITY: 2021-22 THEME

As employees, students and families continued to navigate the global pandemic, the 2021-22 school year was one in which provided

COMMUNITY



lessons of togetherness, courage, hope and COMMUNITY. Broken Arrow Public Schools focused on getting back to the basics, while continuing to excel in teaching and learning. Our state-of-the-art classrooms, equipment, curriculum and technology continued to unify our students and staff under a common bond of academic and extracurricular excellence.

CITY OF BROKEN ARROW, BAPS PARTNER FOR SCHOOL SITE VOLUNTEERS

In a show of overwhelming support and partnership, the Broken Arrow City Council unanimously approved a resolution at one of its regularly scheduled council meetings, declaring the City's support to provide volunteers and substitutes for Broken Arrow Public Schools in its efforts to continue in-person learning.

The resolution stemmed from a districtwide transition to distance learning for all grades due to staffing illnesses and absences, as well as a growing number of student absences.

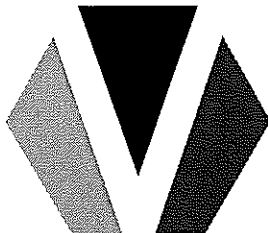


"In the face of the ongoing pandemic, Broken Arrow Public Schools continues to subscribe to the value and importance of in-person learning for all its students," said Broken Arrow Public Schools Superintendent Chuck Perry. "We are so thankful for a City Council that upholds our values and wants to see students and teachers succeed in the face of adversity. This partnership between the city and our schools is what makes Broken Arrow incredibly special."



VANGUARD ACADEMY OF BROKEN ARROW

As part of the second phase of the 2015 bond issue, the district opened its state-of-the-art STEM (science, technology, engineering and math) facility in the fall of 2021 for student inventors in grades 9-12. The Vanguard Academy is Oklahoma's first public school facility to integrate building information modeling (BIM) from the design process through the construction phase. The BIM tool is a 3D model-based process that gives architecture, engineering and construction professionals the insight and tools to more efficiently plan,

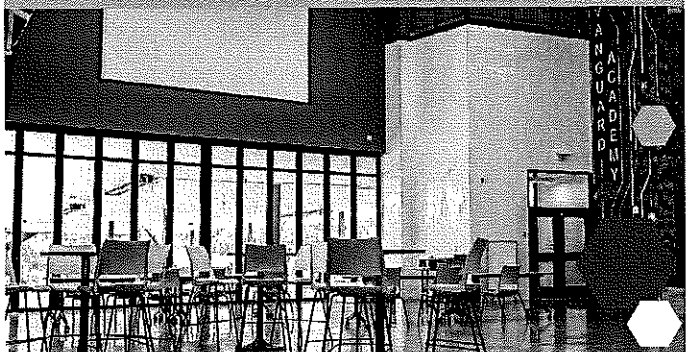


design, construct, and manage buildings and infrastructure.

This site includes a number of labs, a makerspace, a workshop, a build shop, numerous outdoor classrooms and more. In addition, the vocational agriculture center includes animal pens and show barns for those students pursuing careers in agricultural related occupations.

Students are able to choose from three different program options:

1. Innovative Elective Program: Part-time program where Broken Arrow High School students in grades 10-12 can earn elective credits on the Vanguard Academy campus. These courses range from learning about drones to studying renewable energy.
2. XPO: Full-time, project-based learning program for students in grades 9-12. Innovators earn core credits through interdisciplinary courses and elective credits through a multitude of experiences focused on exposing, expanding and exploring.
3. BAd Lab (BA Design Lab): Full-time, human-centered design program for BAPS students in grades 9-12. Innovators earn core and elective credits through a combination of immersion, seminar and design experiences. BAd Lab culminates with innovators leading a 9-month human-centered design thinking project related to the topic or issue that drives them, inspires them or breaks their heart.





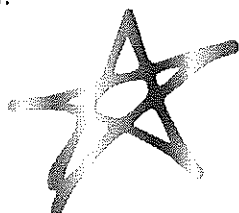
2022 District Teacher of the Year and Support Employee of the Year

At its annual Star Awards Gala, Broken Arrow Public Schools announced Rosewood Elementary teacher Kelsee Arnold as the 2022 District Teacher of the Year and Options Academy Security Guard Derrek Younger as the winner of the Beyond & Above Award, which is given to the district's top support employee.

During this sit-down dinner event held at Stoney Creek Hotel, 31 Site Teachers of the Year were formally introduced, five were named as finalists, and Ms. Arnold was honored as the District Teacher of the Year.

"My classroom is a safe, supportive community of learners, and my students' voice, needs and strengths drive my decision making," said Arnold, who has been a teacher for 10 years. "I believe every child is capable of achieving greatness and has unique strengths and talents that set them apart from others. As educators, we are given the privilege to empower our students to believe this as truth themselves. And as a teacher, believing this truth, and using this to guide decision-making, can be paramount in promoting student learning."

As Teacher of the Year, Arnold received a monetary gift from the Broken Arrow Public Schools Foundation and the opportunity to drive a courtesy car from Matthews Ford in Broken Arrow. She will go on to represent the district at the State Teacher of the Year competition this summer.



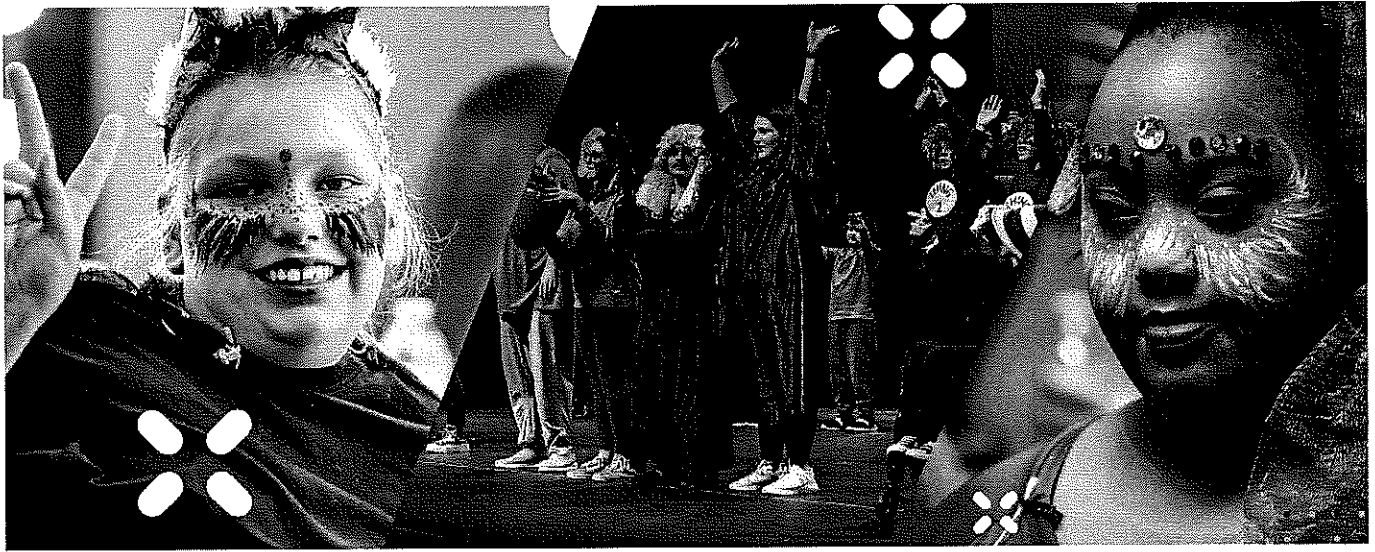
In addition, five staff members were recognized as Support Staff of the Year finalists, and Options Academy Security Guard Derrek Younger was presented with the Beyond and Above award for consistently going the extra mile in support of the district's goals and objectives.

"Mr. Younger is so much more than just a security guard," Options Academy Principal Shannon Turner said. "He impacts the lives of both students and staff on a daily basis."

In addition to making the safety of students his top priority, Younger has reached out to students by teaching them how to play chess and helping with social and emotional issues. He has also organized the bi-annual graduation ceremonies for the Options Academy, including designing the program and helping the student singer of the national anthem. As a musician himself, he also started a music program at Options, writing grants to help acquire various musical instruments, inviting the students to learn and play along with him.

Nominations for the Beyond and Above award were made by principals, teachers, administrators, supervisors and coworkers. A five-member committee consisting of site and district administrators conducted a review of all candidate nominations before spring break.

Flintco helped sponsor the Beyond & Above Award, providing cash prizes to each of the five finalists. The BAPS Foundation awarded cash prizes to all 31 Site Teachers of the Year as well.



PENGUIN PROJECT: GIVING KIDS WITH SPECIAL NEEDS A CHANCE TO SHINE

Fifteen of Broken Arrow's special education students took to the stage to present "Seussical Kids" as part of the nationwide Penguin Project, a program that provides an opportunity for children with disabilities to develop creative skills related to theatre arts.

The district partnered with Clark Youth Theatre in Tulsa to bring together special needs students and their families for months of singing, acting, dancing and a full-fledged musical production.

"This has probably been one of the most moving experiences I've been a part of in my 40 plus years in the arts," Broken Arrow Performing Arts Center Director Kim Vento said. "The kids growth through the process was astounding, and we saw our parents create a community bond that is forever now unbreakable."

Students were partnered with 19 peer mentors to guide them through the whole process, creating lasting friendships and future possibilities for more relationship-building activities. In February 2022, the Penguins performed three different shows, and more than 860 people attended to support their hard work.

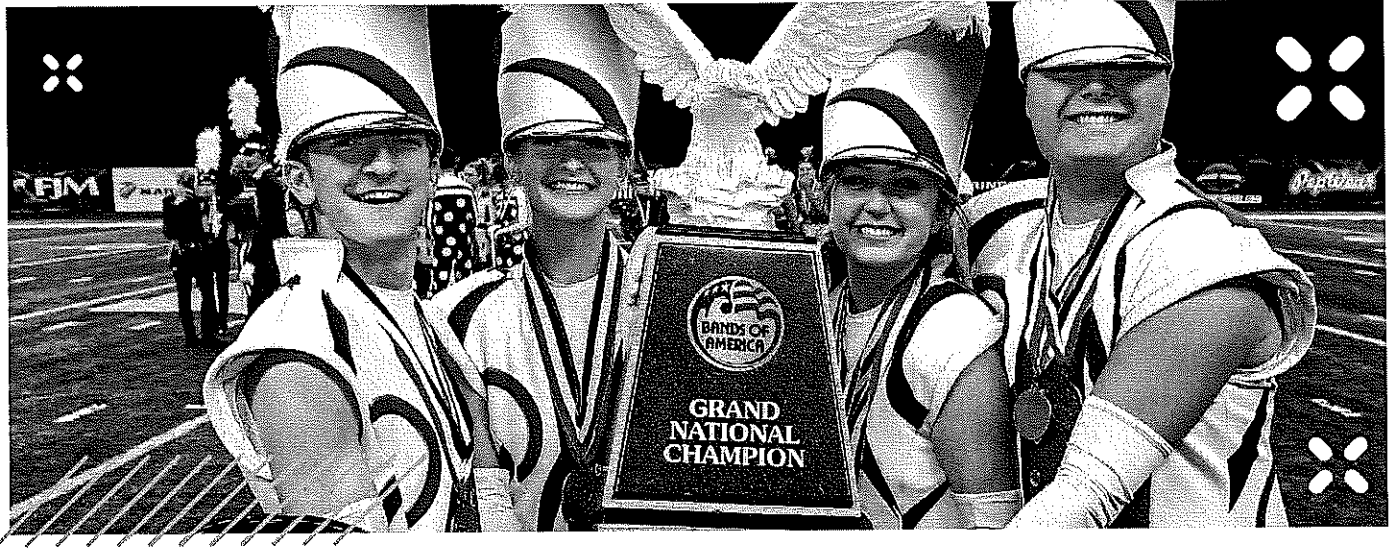
"THIS HAS BEEN A LIFE CHANGING EXPERIENCE," VENTO SAID. "THE ARTS ARE TRULY FOR EVERYONE."

NATIONAL MERIT SEMIFINALISTS & FINALISTS

Nine Broken Arrow High School students were named as National Merit Semifinalists for their prestigious academic accomplishments.

Beau Aafedt, Ethan Anderson, Kyle Bergwall, Evan Kamriguel, Alexander Kirby, Grace Lee, Tristen McCarter, Lydia McNally and Daniel Oh were among approximately 16,000 students from across the nation who qualified for this honor and were some of the highest scoring students in the state of Oklahoma.

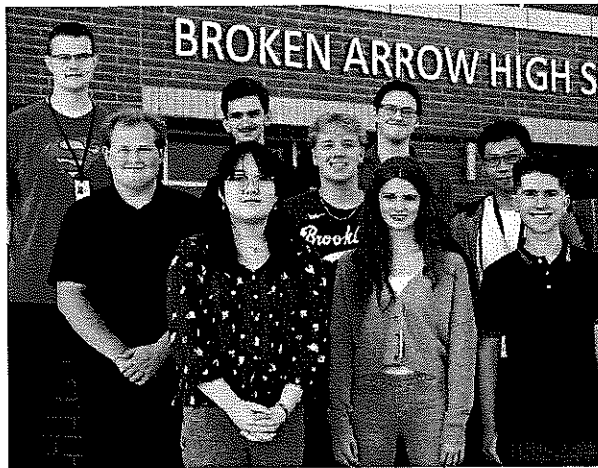
Established in 1955, the National Merit Scholarship Program is a long-standing academic competition for recognition and scholarships. High school students enter the National Merit Program by taking the Preliminary SAT/National Merit Scholarship Qualifying Test,



which serves as an initial screen of nearly 1.5 million entrants each year.

In February, six of the nine students (Kyle Bergwall, Evan Kamriguel, Alexander Kirby, Grace Lee, Lydia McNally and Daniel Oh) were named finalists.

In July, Kyle Bergwall was honored in the fourth and final round of the National Merit Scholars Program. He was selected as one of 7,500 students to receive a scholarship award, which includes National Merit Scholarships as well as corporate- and college-sponsored scholarships.



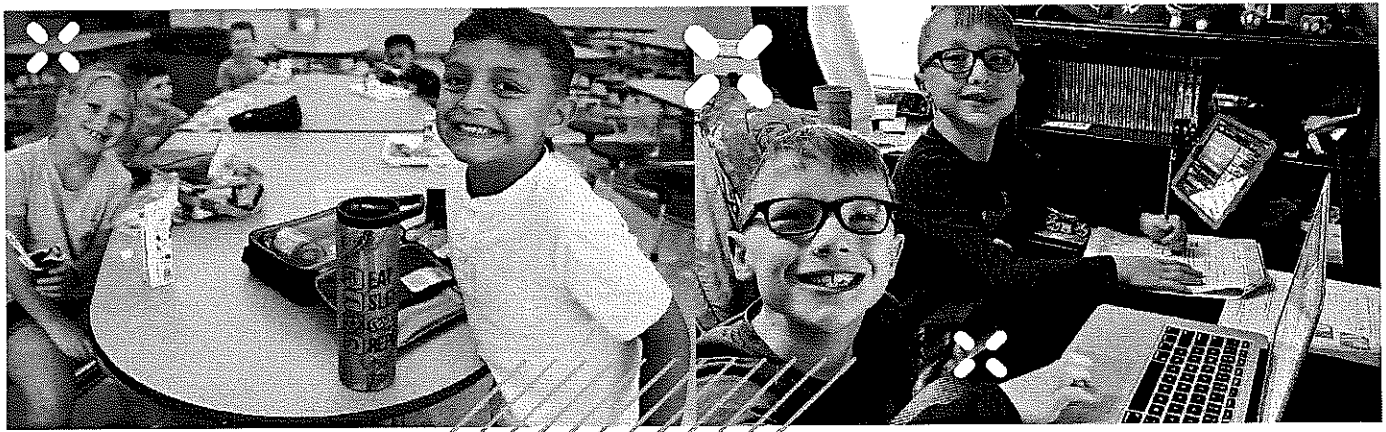
Back row - Beau Aafedt, Ethan Anderson, Alexander Kirby Middle row - Tristen McCarter, Kyle Bergwall, Daniel Oh Front row - Grace Lee, Lydia McNally, Evan Kamriguel

PRIDE OF BROKEN ARROW WINS 4TH NATIONAL CHAMPIONSHIP

Shortly after the final music notes resonated through Lucas Oil Stadium in Indianapolis, the Pride of Broken Arrow secured their fourth national title, with the first occurrence taking place in 2006, the second in 2011 and the third in 2015.

With a score of 98.25 and the highest score in competition history, the Pride won the Bands of America Grand National championships under the direction of Darrin Davis with an intense performance of "The Edge of Eternity."

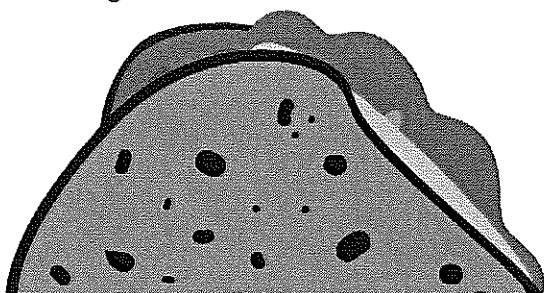
"The efforts of our incredibly talented Pride members were nothing short of awe inspiring," Broken Arrow Public Schools Director of Band Darrin Davis said. "Seeing and hearing student performers perform at their very best on a national stage is something these students, their parents and directors will never forget. I couldn't be more proud." Broken Arrow was one of only three Oklahoma bands to make it to Grand Nationals, alongside Mustang and Collinsville.



CHILD NUTRITION

The child nutrition department has a vision to serve quality meals to Broken Arrow Public Schools' students and staff. It also strives to promote healthy and nutritious choices in a fun and friendly atmosphere while also providing support, education and information to the students, staff, parents, and community of Broken Arrow. In an effort to help families and students during the ongoing COVID-19 pandemic, the USDA made school meals free to all Broken Arrow Public Schools students in grades Pre-K-12. More than 2.6 million reimbursable meals were served during the 2021-22 school year.

In addition, the child nutrition food truck BA's Curbside Café continues its success by serving more than 3,500 Broken Arrow High School students with healthy and eclectic meal options. It also provides Broken Arrow Public Schools with another avenue for its Summer Feeding Program, serving children ages 1-18 and also providing parents and caregivers with low cost meals. The Curbside Cafe menu changes daily and features street tacos, chicken and waffles, salads and more. All meals meet U.S. Department of Agriculture guidelines and are prepared with a number of locally-sourced ingredients.

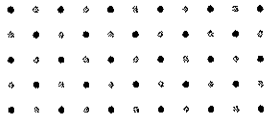


TECHNOLOGY

The vision of the technology team is to make BAPS a choice destination for education by creating an environment that supports and enhances the technological capabilities provided to students, staff members and the community. BAPS facilitates learning and creativity through innovative technology, providing students with access to modern, state-of-the art equipment that enhances their ability to succeed in tomorrow's world. The district promotes substantial increases in student achievement motivated by interactive technology resources.

In the fall of 2016, the district began implementation of a one-to-one computer initiative by providing personal computing devices to each student at the Freshman Academy.

By providing students with increased access to technology, the classroom becomes more interactive, assignments are more collaborative and students are more engaged in school. Parents also benefit by having online access to the same information as their children, enabling them to better track student progress. Additionally, students will be better prepared for post-secondary education and the workforce because they are learning to use the same cloud-based technologies utilized by colleges and employers.



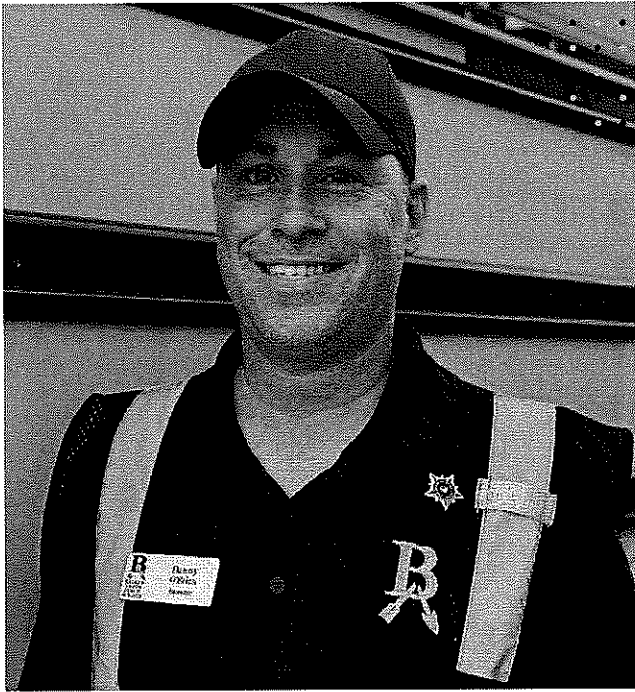
The district is very proud that as of the 2018-19 school year, the one-to-one computer initiative was fully implemented to include students in grades 6-12. This was made possible by the community support of the district's bond initiative.

During the pandemic, the technology department deliberately focused on the connectivity of students to maximize their instructional opportunities. As a result, the department provided resources and support into the district's virtual program to help ensure every student had a device that enabled them to participate in remote learning. Moreover, the department was awarded 2,000 hotspots via a grant from the Oklahoma State Department of Education. These hotspots were integral in ensuring that full-time virtual students were connected, as well as families that had to transition to distance learning as a result of the changing circumstances around the district.

ARROWVISION PODCAST NETWORK

New for the 2021-22 school year, the district's ArrowVision video team and communications department expanded their communications methods by offering four unique podcast shows that broadcasted each week on various podcast networks. "Core Values" took a look at all-things Broken Arrow both in academics and activities, while "It's Fine" discussed the amazing array of fine arts programming across the district. "Uncaged" was an exciting peek into the world of Broken Arrow athletics, while "The Pulse" was a student-driven podcast from Broken Arrow High School. The district's podcasts can be found by searching and subscribing to YouTube, Spotify, Soundcloud and Apple Podcast apps, as well as online at ArrowVision.tv.





TRANSPORTATION, MAINTENANCE AND CUSTODIAL SERVICES

The transportation department services 115 square miles twice daily. During the 2021-22 school year, there were 170 buses in the fleet, which included 118 regular buses, 44 special needs buses and eight activity buses. The BAPS transportation department runs 79 regular education bus routes (36 high school, 29 Freshman Academy, 58 middle school, 57 elementary and 6 Tulsa Technology routes), as well as 35 special education bus routes. The transportation department is self-contained, housing the auto/diesel mechanic garages which service the entire BAPS fleet. Over the

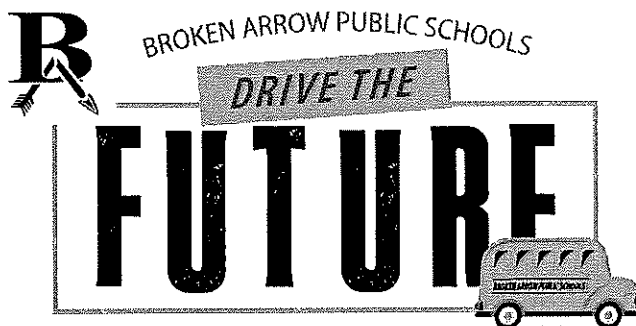
course of the year, there were 1,934,499 route miles driven, 301,764 gallons of diesel fuel used for buses and approximately 14,000 students eligible to be transported daily on buses.

The maintenance and custodial services department takes pride in the operation of schools, supporting education by providing the best possible environment conducive to learning. Maintenance and plant operations employees provide routine, preventative and corrective service to the millions of square feet and hundreds of acres of school property. All school sites, teachers and custodial staff were provided with Tersano Stabilized Aqueous Ozone (SAO) to utilize throughout the school day to disinfect high touched surfaces, including desks, to help protect against COVID-19. More than 3,300,000 million square feet and 945 acres were maintained daily by the custodial services staff during the 2021-22 school year.

MANUFACTURING CAREER DAY

October is National Manufacturing Month, and Broken Arrow Public Schools partnered with the Broken Arrow Chamber of Commerce/Economic Development Corporation to raise awareness about the manufacturing sector. Through the partnership, more than 40 volunteers from 20+ local companies exposed more than 1,000 9th grade students to many career opportunities within the manufacturing profession.

In line with BA Schools and BA Chamber's Project Pathways endeavor, manufacturing professionals talked with students about careers in the industry and educational pathways to those careers. They also engaged students in a hands-on activity that included designing, building and marketing their "product."



ENERGY SAVINGS

In 2017, BAPS entered into a partnership with Cenergistic, a leading energy conservation company, to start an energy savings program. After over five years of the partnership, the district achieved a cost savings of almost \$4,000,000.

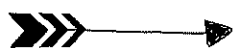
The \$4 million saved is equivalent to 95 first-year teacher salaries, 40 new school buses or 11,000+ new Chromebooks. The success of the hand-in-hand partnership has drastically reduced the carbon footprint of BAPS. The energy saved is the equivalent of removing 3,655 cars from the road for a year or 449,838 tree seedlings grown for 10 years.

BAPS personnel have worked closely with Cenergistic engineers, experts and embedded energy specialist Jadon Dykes to audit and optimize each energy-using system throughout the district. Dykes tracks energy consumption – including electricity, water, and natural gas – using the latest in energy-accounting software and technology to calculate savings and identify areas that need immediate attention.

FINANCE DEPARTMENT RECEIVES HONORS FOR REPORT

Broken Arrow Public Schools was awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2021. This marks the ninth consecutive year the district received the award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The District has proudly participated in the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) and was designated the award for the June 30, 2021 fiscal year, marking the ninth award for the district.





Closing

In closing, without the leadership and support of the Broken Arrow Public Schools' Board of Education, preparation of this report would not have been possible.

Sincerely,

Chuck Perry
Superintendent

Natalie Eneff
Chief Financial Officer

Megan Frederick
Director of Financial Reporting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Broken Arrow Public Schools, District No. I-003
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Broken Arrow Public Schools, I-003

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

BROKEN ARROW PUBLIC SCHOOLS

2021-2022 School Officials

BOARD OF EDUCATION



Jerry Denton
Vice President

Brandy Roulet
Clerk

Steve Allen
President

Debbie Taylor
Member

John Cockrell
Deputy Clerk

CABINET MEMBERS



Ashley Bowser
Chief Technology Officer

Larry Shackelford
Associate Superintendent

Rusty Stecker
Chief Human Resources Officer

Rosalyn Vann-Jackson
Chief Support Services Officer

Dr. Karla Dyess
Deputy Superintendent

Natalie Eneff
Chief Financial Officer

Chuck Perry
Superintendent of Schools

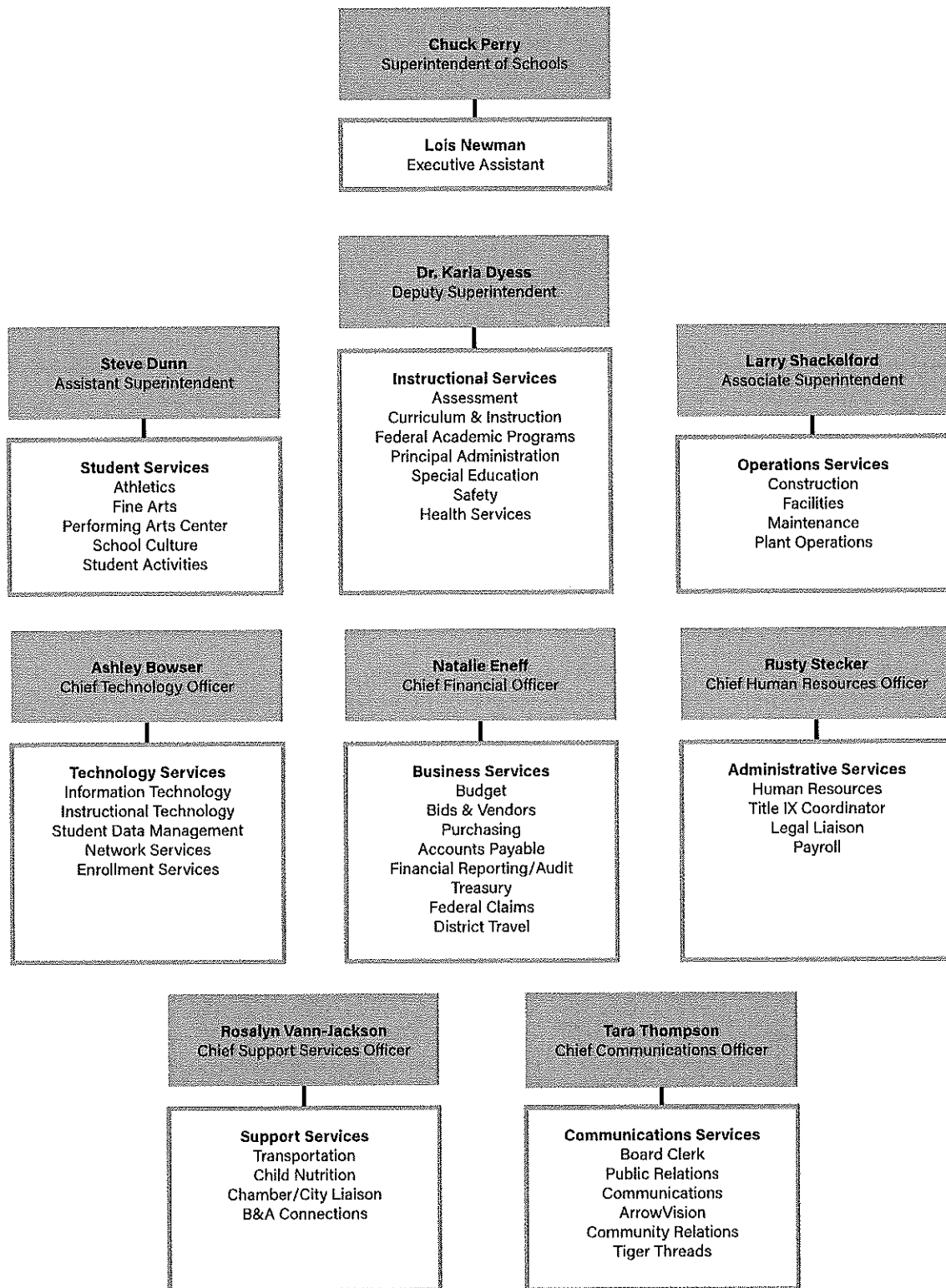
Steve Dunn
Assistant Superintendent

Tara Thompson
Chief Communications Officer

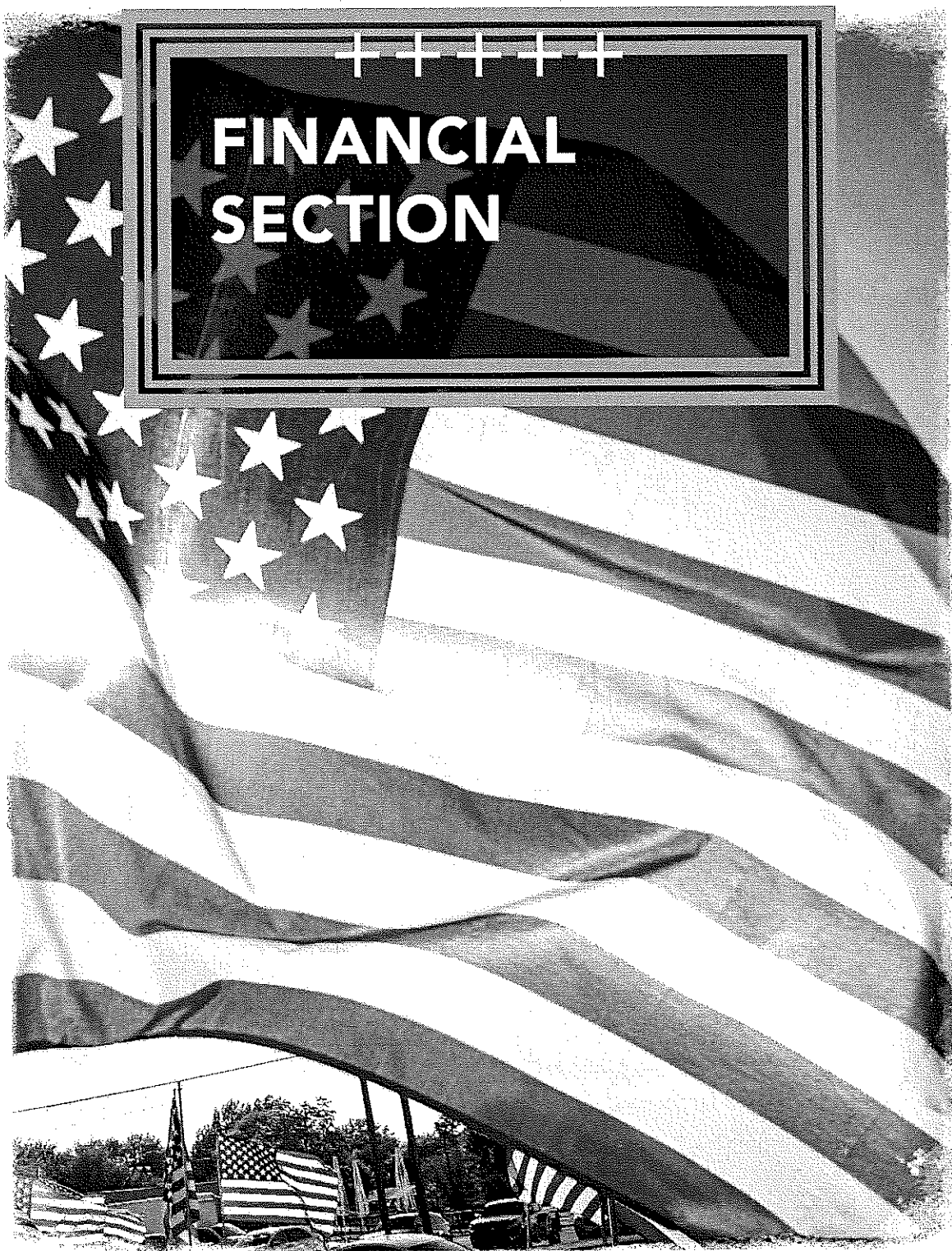


BROKEN ARROW PUBLIC SCHOOLS

District Leadership Organizational Chart



Cabinet members are noted in gold.





JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of Education
Broken Arrow School District No. I-003
Broken Arrow, Oklahoma 74012

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma (the "School District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. I-003, Tulsa County, Oklahoma as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

116 WEST BRECKENRIDGE AVE, BIXBY, OK 74008
PHONE: 918.366.4440 FAX: 918.366.4443
WWW.JENKINSKEMPER.COM

opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 27-37, Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual on page 80, Schedule of Proportionate Share of the Net Pension Liability on page 78 and Schedule of Contributions on page 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the method of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The combining fund statements, regulatory basis, listed in the accompanying table of contents are presented for purpose of additional analysis, and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 7, 2022

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

In this section of the Annual Comprehensive Financial Report, Broken Arrow Public School District (the "District") discusses and analyzes its financial performance for the year ended June 30, 2022. Readers should review this section in conjunction with the transmittal letter, the independent auditors' report, and the District's Basic Financial Statements.

The Management's Discussion & Analysis (MD&A) is a required element of the annual financial report under the Governmental Accounting Standards Board (GASB) Statement No. 34 reporting model. Under this model, entities are required to adhere to certain standards of presentation for the financial statements, notes, and required supplementary information (RSI) that must be included within the annual financial report. The intent of the MD&A is to present an objective and simple analysis of the District's financial activities and enhanced knowledge of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at June 30, 2022, resulting in a government-wide total net position of \$196.0 million. Government-wide net position increased \$40.85 million from June 30, 2021 as a primary result of increased capital assets, higher Federal source funding, and expenditure decreases from conservative budget plans to combat inflationary factors in economy.

The District's Governmental Fund Financial Statements reported a combined ending fund balance in fiscal year 2022 of \$119.3 million. The unassigned fund balance for the general fund of \$30.7 million, or 20% of the total general fund expenditures. The general fund total unassigned fund balance increased by \$6.2 million from June 30, 2021 due to conservative spending and higher federal revenue collections than anticipated.

Among the major funds, the general fund had \$155.9 million in revenues, \$147.3 million in expenditures, resulting in a fund balance increase of \$8.5 million. The Debt Service Fund ended its year with a fund balance of \$16.4 million which is used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of \$49.7 million which is restricted for school district construction projects. During fiscal year 2022, the District continued renovation projects at both elementary and secondary sites, and began planning for a multipurpose activity center. The District issued just over \$46.8 million in bonds during the fiscal year 2021-2022, and ended the year with \$111.4 million outstanding in commercial paper.

During the year, the District's expenses were \$40.85 million less than the \$218.0 million generated in taxes and other revenues for governmental-wide activities. Expenses totaled \$137.3 million after charges for services and operating grants and contributions (revenue). Total revenue from property taxes, state aid, investment income, and miscellaneous revenues is \$178.1 million.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis presented is intended to serve as an introduction to the District's Basic Financial Statements. The Basic Financial Statements consist of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. Other supplementary information is included in addition to the Basic Financial Statements.

Government-Wide Financial Statements. The Government-Wide Financial Statements are designed to present both long-term and short-term broad overviews of the District's financial status.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

Statement of Net Position presents information on all the District's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as the net position. Over time, changes in the statement of net position will give an overall indication of growth (increases) or decline (decreases). Of course, other factors beyond the District's control should also be considered in assessing growth or decline over time.

Statement of Activities presents information showing all current year revenues and expenditures, regardless of when cash is received or paid. As a result, some revenues and expenses reported in this statement will result in cash flows in future fiscal periods (e.g., uncollected taxes).

The Government-Wide Financial Statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) from other functions intended to recover all or a significant portion of their costs through user fees and charges.

Component units are legally separate organizations for which the Board of Education of the District is legally accountable. The District has no component units for which it is financially accountable.

Fund Financial Statements. Fund Financial Statements provide more detailed information about the various funds, or grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories:

Governmental Funds - These funds include most of the District's activities, which provide a short-term analysis of District operations and services. Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

The District maintains four governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund which are considered to be major funds. Data from the Special Revenue Fund programs are combined in a single, aggregated presentation and are non-major funds. Individual program data for each of these is provided in the form of combining schedules elsewhere in the financial statements.

Both the Governmental Fund balance sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between Governmental Funds and governmental activities.

Proprietary Funds - These funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both short-term and long-term financial information. There are two types of Proprietary Funds.

The first type is the Enterprise fund, which is used to report the same functions presented as business type activities in the Government-Wide Financial Statements. In the Enterprise Fund, the District charges outside customers a fee for services the District provides. The District has no business-type activities or Enterprise Funds.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The second type is the Internal Service Fund, which is used to accumulate and allocate costs internally among the various functions. The District uses the Internal Service Fund to report activities for its self-insured workers' compensation fund.

Fiduciary Funds - Fiduciary Funds are those over which the District serves as a trustee, or fiduciary, but are actually owned by others. The responsibility of the District is to make sure the funds are used for their intended purpose, and by those to whom they belong. These assets are excluded from District-Wide Financial Statements because they cannot be used to fund operations. The District reports the Private-Purpose Trust Fund (Gift Fund) as a Fiduciary Fund.

Notes to the Basic Financial Statements. The Notes to the Basic Financial Statements provide narrative additional information that is essential to full disclosure in the Government-Wide or Fund Financial Statements.

Required Supplementary Information. In addition to the Basic Financial Statements and accompanying notes, this report also presents certain Required Supplementary Information that further explains and supports the information in the financial statements. A budget is legally adopted by the Board of Education for the General Fund, Building Fund, and Child Nutrition Fund that includes revenues and expenditures. A budgetary comparison schedule has been provided for the General Fund as Required Supplementary Information. The Required Supplementary Information also provides data related to the District's participation in pension and other post-employment benefit plans as required by GASB Statements No. 68 and 75.

Other Supplementary Information. Other Supplementary Information provides additional analysis and is not a required part of the Basic Financial Statements. Other Supplementary Information includes comparative information on selected funds. It also contains the combining schedules referred to earlier in connection with the Special Revenue Funds. The combining statements are also prepared in connection with Fiduciary Funds. Custodial Funds are used to account for assets held by the District as an agent for certain individuals and organizations. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position. Net Position, the residual of all other financial statement elements presented in a statement of financial position, may serve as a useful indicator of a government's financial position over time.

The amount of calculated pension liability for the District ending June 30, 2022 was \$86.2 million compared to \$162.0 million at June 30, 2021, a decrease of \$75.8 million. Deferred pension plan outflows were \$27.9 million at June 30, 2022 compared to \$50.5 million at June 30, 2021, a decrease of \$22.6 million. This decrease was due to the Changes of Assumptions for the measurement period and a decrease in the net difference between expected and actual experience. Deferred pension plan inflows were \$48.8 million at June 30, 2022 compared to \$5.1 million at June 30, 2021, an increase of \$43.7 million.

Government-wide net investment in capital assets increased \$19.4 million or 9% over the prior fiscal year, representing significant progress in the completion of major projects. The District uses these capital assets to provide services to its students and programs for the students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of depreciation, it should be noted that the resources needed to repay this debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The following table presents a summary of the change in net position for the fiscal years ended June 30, 2022, and 2021:

Net Position Summary			
Table 1			
	Governmental Activities		
	2022	2021	Change
<u>Assets</u>			
Current and Other Assets	\$ 199,162,554	\$ 166,303,480	\$ 32,859,074
Capital Assets	295,333,835	279,598,179	15,735,656
Total Assets	494,496,389	445,901,659	48,594,730
Deferred Outflows of Resources	27,933,338	50,535,417	(22,602,079)
<u>Liabilities</u>			
Other Liabilities	36,708,165	36,395,763	312,402
Long Term Liabilities	163,248,477	226,592,007	(63,343,530)
Total Liabilities	199,956,642	262,987,770	(63,031,128)
Deferred Inflows of Resources	126,513,504	78,339,801	48,173,703
<u>Net Position</u>			
Net Investment in			
Capital Assets	233,618,199	214,176,559	19,441,640
Restricted	33,668,793	30,251,987	3,416,806
Unrestricted	(71,327,411)	(89,319,041)	17,991,630
Total Net Position	\$ 195,959,582	\$ 155,109,505	\$ 40,850,077

The largest portion of the District's government-wide net position reflects its investment in capital assets (e.g., land, buildings, vehicles, furniture, equipment, and construction in progress), net of accumulated depreciation plus deferred inflows/outflows of resources (if applicable) less any related debt used to acquire those assets still outstanding. The District saw a decrease in total liabilities due to a decrease in net pension obligations of \$75.8 million that offset an increase in bond indebtedness of \$13.5 million. The implementation of GASB Statements 68 and 71, which became effective for fiscal years beginning after June 15, 2014, significantly changed pension accounting and financial reporting for governmental employees who participate in a pension plan, such as the state-administered Oklahoma Teachers' Retirement System. The inclusion of this financial data does not affect the financial stability of the District, nor does it influence financial decisions for the District.

The government-wide total net position of \$196 million, which represents resources that are unrestricted, \$(71.3) million, may be used to meet the District's ongoing obligations to citizens and creditors.

Changes in Net Position. Over the two-year period, a number of shifts can be observed, such as an increase in property taxes tied to the District's net assessed valuation growth of 6%, an increase in state aid, and an increase in other local revenue that reflects continuing growth in areas where the District continues to pioneer new revenue streams while surviving the shortages in the revenue categories which normally produce stable proceeds.

The District's government-wide total revenues were \$218.0 million, an increase of \$30.3 million from the prior fiscal year total of \$187.7 million. The increase is due mainly to enrollment patterns shifting back to normal levels which impacted state aid growth and the amount of funds the state calculated into the

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

funding formula. Additionally, the District experienced an increase in federal funds and grants due to receiving one-time Federal Funding from various governmental relief packages. A significant portion, 35%, of the District's revenue comes from property taxes; 25% comes from state aid formula grants; 19% from other taxes; 17% is related to other operating grants and contributions; the remaining 5% comes from charges for services and other sources.

Governmental activities increased in District net position by \$40.9 million. The total cost of all governmental activities programs and services was \$177.2 million. The amount our taxpayers paid for these activities through property taxes was \$76 million or 43%.

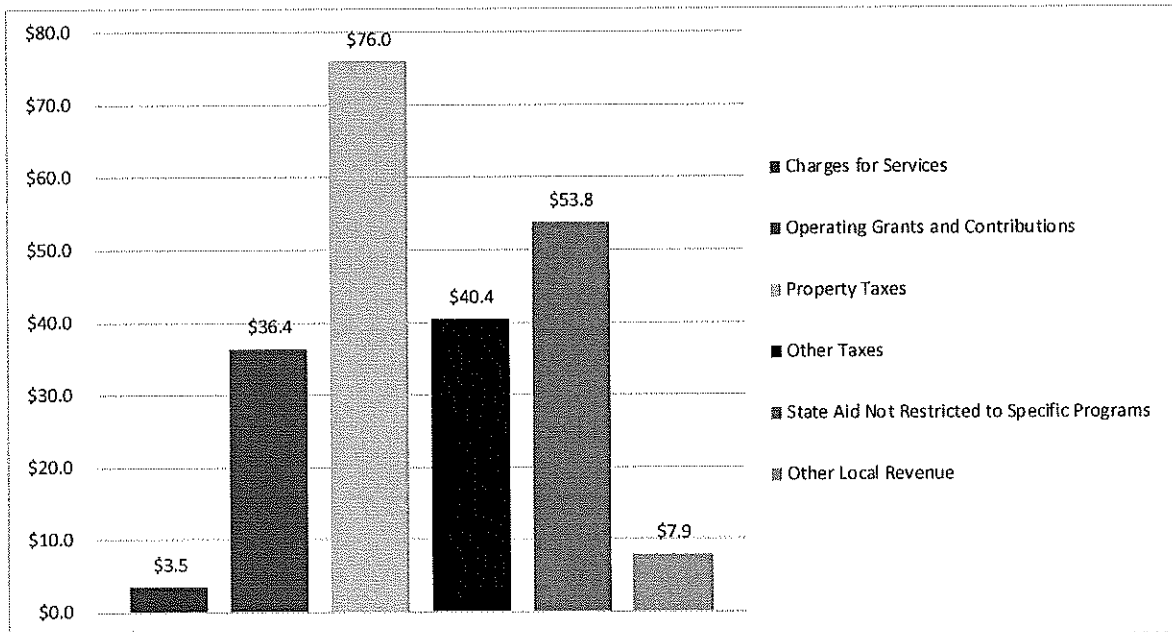
The Statement of Activities presents a district-wide summary of revenues and expenses for the fiscal year. The format of the presentation identifies expenses by program areas (functions), and identifies to what extent those expenses are offset by charges for services, operating grants, and contributions.

The District reports its activities in the following functional categories: instruction and instruction-related services, support services, operation and maintenance, pupil transportation services, operation of non-instructional services, facilities acquisition and construction services, private nonprofit schools, and interest on long-term debt.

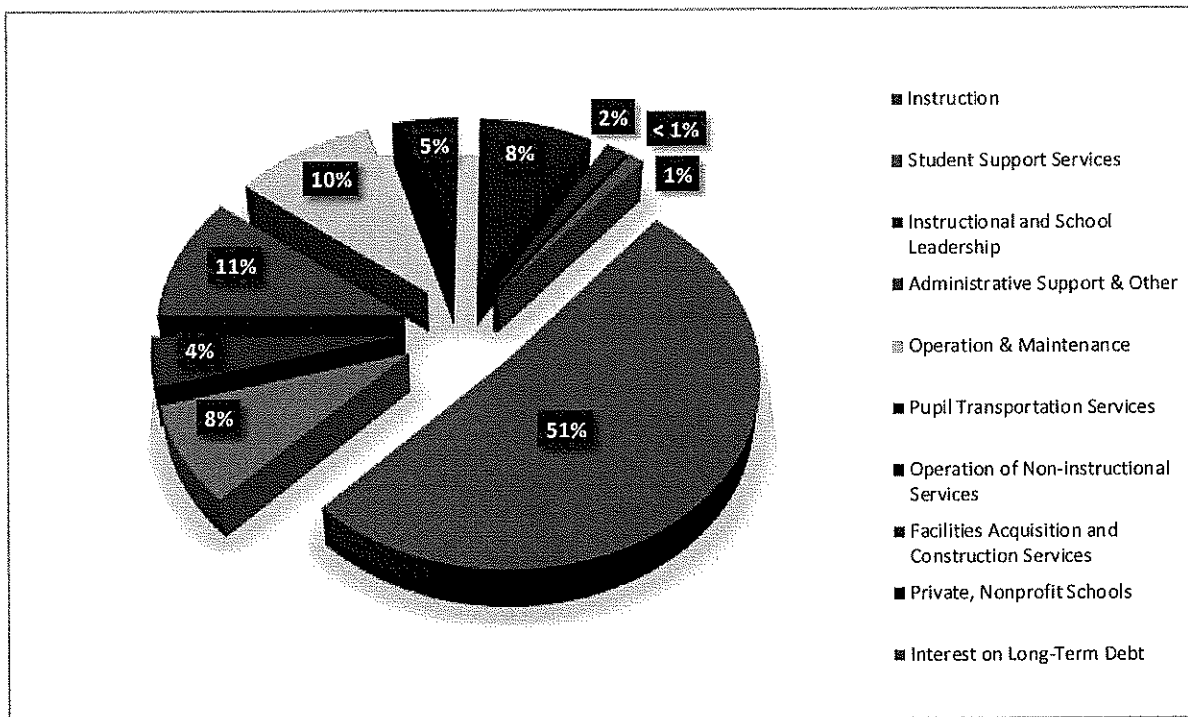
Changes in Net Position				
Table 2				
	Governmental Activities			
	2022	2021	Change	Change %
Revenues				
Program Revenues:				
Charges for Services	\$ 3,527,808	\$ 2,447,016	\$ 1,080,792	44.17%
Operating Grants and Contributions	36,399,531	22,288,924	14,110,607	63.31%
General Revenues:				
Property Taxes	76,005,944	74,303,841	1,702,103	2.29%
Other Taxes	40,421,572	32,195,752	8,225,820	25.55%
State Aid Not Restricted to Specific Programs	53,786,071	49,780,740	4,005,331	8.05%
Other Local Revenue	7,944,194	6,684,278	1,259,916	18.85%
Total Revenues	<u>\$ 218,085,120</u>	<u>\$ 187,700,551</u>	<u>\$ 30,384,570</u>	<u>16.19%</u>
Expenses				
Instruction	90,746,819	104,915,596	(14,168,777)	-13.50%
Student Support Services	14,984,119	13,221,077	1,763,042	13.34%
Instructional and School Leadership	7,545,082	7,504,135	40,947	0.55%
Administrative Support & Other	18,776,087	17,696,240	1,079,847	6.10%
Operation & Maintenance	17,873,819	16,900,258	973,560	5.76%
Pupil Transportation Services	8,219,066	7,240,764	978,301	13.51%
Operation of Non-instructional Services	14,413,136	12,335,992	2,077,145	16.84%
Facilities Acquisition and Construction Services	2,693,232	4,745,790	(2,052,557)	-43.25%
Private, Nonprofit Schools	14,713	21,338	(6,624)	-31.05%
Interest on Long-Term Debt	1,968,970	2,273,705	(304,735)	-13.40%
Total Expenses	<u>\$ 177,235,043</u>	<u>\$ 186,854,894</u>	<u>\$ (9,619,851)</u>	<u>-5.15%</u>
Change in Net Position	40,850,077	845,656	40,004,421	4730.58%
Net Position, Beginning	<u>155,109,505</u>	<u>154,263,849</u>		
Net Position, Ending	<u>\$ 195,959,582</u>	<u>\$ 155,109,505</u>	<u>\$ 40,850,077</u>	<u>26.34%</u>

**BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**Revenues by Source - Governmental Activities
In Millions**



Program Expenses by Major Function - Governmental Activities



BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

The District's expenses are predominantly related to instruction of students (51%).

The consistent positive net position and the common annual revenues exceeding ordinary expenses reflects the District's philosophy of managing ongoing growth while maintaining financial stability through strong budgetary and spending controls.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As discussed earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental Funds. Under the District's fund accounting system, *Governmental Funds* focus is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

Below is a summary of the Governmental Funds total fund balance comparison:

GOVERNMENTAL FUNDS					
FUND BALANCES		2022		2021	
Nonspendable:					
Inventory	\$	641,871	0.5%	\$	752,843 0.8%
Permanent fund principal		-	0.0%		40,000 0.0%
Restricted for:					
Federal and state allocation carryover		4,869,525	4.1%		2,433,650 2.7%
Capital projects		49,719,539	41.7%		32,542,320 36.0%
Debt service		16,429,163	13.8%		20,871,817 23.1%
Building		6,130,755	5.1%		3,655,197 4.0%
Child Nutrition		6,144,116	5.1%		1,469,629 1.6%
Endowment		44,676	0.0%		4,665 0.0%
Arbitrage		55,261	0.0%		55,261 0.1%
Student activities		4,561,777	3.8%		4,011,046 4.4%
Unassigned		30,773,008	25.8%		24,504,097 27.1%
	\$	119,369,691	100.0%	\$	90,340,525 100.0%

As of the end of the current fiscal year, the District's Governmental Funds reported combined ending total fund balances of \$119.3 million, an increase of \$29 million over last year. This increase was primarily due to \$46.9 million in bond proceeds received later in the fiscal year.

The General Fund is the primary operating fund of the District. At June 30, 2022, the General Fund's unassigned fund balance was \$30.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total General Fund actual expenditures. General Fund unassigned fund balance represents 21% of the total General Fund actual expenditures, which total \$147.3 million while the General Fund total fund balance of \$36 million represents 24% of that same amount.

Of the total governmental funds balance, \$0.6 million is nonspendable for investment in inventories and permanent fund principal. The General Fund's total fund balance increased \$8.6 million during the current

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

fiscal year. This is the result of purposeful ending balance saving or conservative management to prepare for risk, and stabilization during the recovery of another unique pandemic year in Oklahoma.

The Debt Service Fund (Sinking Fund) had a total fund balance of \$16.4 million, all of which is restricted for the payment of debt service requirements. Millage rates for Sinking Fund levies are not controlled by the District but are set annually by the Tulsa County Excise Board after a thorough review of property valuations and the District's debt service needs.

The Capital Projects Fund accounts for the construction of school buildings and improvements. At the end of the current fiscal year, the fund balance was \$49.7 million, which increased by \$17.2 million, or 53% from the 2021 fiscal year. This increase was primarily due to the sale of new bonds received close to the end of the fiscal year and capital outlay expenditure projects' timeframes for completion. More information regarding capital project funds and millage levies may be found in the Statistical Section.

Proprietary Funds. The District's Proprietary Funds consist of the Internal Service Fund (Workers' Compensation Fund) and provide the same type of information found in the Government-Wide Financial Statements but in more detail. The Proprietary Fund has operating revenues of \$0.4 million. This represents a consistent revenue stream in total Proprietary Fund revenue over the last two years due to an overall steady flow in workers' compensation related claims for the district.

Fiduciary Funds. The District's Fiduciary Funds consist of the Gift Fund. The Gift Fund (Private Purpose Trust Fund) receives revenues from donations made by individuals or organizations. These funds are used for purposes specified by the donor.

BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Oklahoma law and is based on accounting for certain transactions in appropriated funds on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

For FY 2021-22, the District budgeted original General Fund revenues of \$149.9 million and budgeted original expenditures of \$155 million. The Board of Education approved a final revenue General Fund budget of \$149.2 million and a final expenditure budget of \$155 million. The General Fund final expenditure budget approved by the Board of Education represents no changes from the original budget. Actual expenditures for the General Fund of \$147.3 million were \$7.6 million below the final expenditure budget.

During the course of the year, the Board of Education approved revisions to the budgeted revenue and expenditures original appropriations of non-major funds only. These revisions resulted from amendments during the year for changes in programs, insurance recoveries, federal program funds, and estimates for local revenue based on the latest information. Differences between the final general operating fund budget and the actual amounts are explained as follows:

General Fund Revenues:

- ❖ *A net favorable variance of almost \$4.4 million in total revenues was due to the following variances:*
 - Local property tax collections, including current year, prior year, and penalty and interest, were \$3.8 million or 10% higher than anticipated. The unrestricted intermediate county taxes were \$0.8 million higher than anticipated.
 - Federal sources of revenue were \$2.2 million lower than anticipated.

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

- State sources of revenue were \$1.2 million higher than anticipated.
- District sources of revenue (e.g., earnings-investments, rentals, and commissions) were \$0.8 million higher than anticipated.

General Fund Expenditures:

- ❖ *A net favorable variance of over \$7.6 million in expenditures was due to the following variances:*
 - Employee payroll, payroll taxes, and benefits, including the related TRS on behalf payments, were \$1.1 million less than budgeted.
 - Utilities and travel were \$0.9 million lower than anticipated.
 - Instructional programs conservatively spent \$5.2 million less than budgeted.
 - Professional, technical and contracted services were \$0.4 million less than estimated.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District has invested \$295.3 million, net of depreciation, in a broad range of capital assets including school buildings, land, athletic facilities, buses and other operational vehicles, computers, and other equipment. This represents a net increase (including additions, deductions and depreciation) of \$15.7 million from the previous year.

Capital Assets (net of depreciation)				
Table 3				
	Governmental Activities			
	2022	2021	Change	Percentage
Land	\$ 16,791,031	\$ 14,785,589	\$ 2,005,442	11.9%
Construction in progress	2,451,489	2,436,039	15,450	0.6%
Land Improvements	1,170,188	780,955	389,233	33.3%
Buildings/Improvements	264,394,266	251,386,576	13,007,690	4.9%
Equipment	10,526,861	10,209,020	317,841	3.0%
Total Capital Assets, Net of Depreciation	\$ 295,333,835	\$ 279,598,179	\$ 15,735,656	5.3%

Outstanding Bonded Debt			
Table 4			
	Governmental Activities		
	2022	2021	Change
General Obligation Bonds:			
Series 2015B	\$ -	\$ 600,000	\$ (600,000)
Series 2017	-	5,875,000	(5,875,000)
Series 2018	5,835,000	11,665,000	(5,830,000)
Series 2019	17,250,000	34,500,000	(17,250,000)
Series 2020	11,400,000	15,200,000	(3,800,000)
Series 2021	30,000,000	30,000,000	-
Series 2022	46,885,000	-	46,885,000
Total Outstanding Debt	\$ 111,370,000	\$ 97,840,000	\$ 13,530,000

The increase in capital assets net of depreciation was due mainly to the additions of various construction projects due to repayment on lease revenue bonds. The majority of the construction in progress consists

BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

of district-wide maintenance projects across 28 sites to ensure quality education and equity across the District. Additional information on the District's capital assets may be found in Note 4, Notes to the Basic Financial Statements.

Bonded debt outstanding as of June 30, 2022 was \$111.3 million, an increase of \$13.5 million from the prior fiscal year, and \$34.4 million due within one year. Detailed information on the long-term debt activity can be found in Note 5 of the Notes to the Basic Financial Statements. The District was given a "AA" rating by Standard & Poor's for the general obligation bonds issued.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Budgetary resource allocations are distributed to campuses and central organizations that support the programs of the District. The District's budget process begins with the development of enrollment projections by the District's Budget Committee. Enrollment projections are then used to determine initial campus allocations through the use of Board level approval. The District uses line-item and site-based budgetary approaches to provide campuses with a standard allocation based on student enrollment. Enrollment projections also drive general operating staffing levels and non-position allocations. Staffing ratios adhere to the Oklahoma legislature mandated by House Bill 1017. Enrollment projections for the year ended June 30, 2022, show enrollment numbers increasing due to the growing population in the southern and eastern portions of the District boundaries.

Local sources of revenue consist primarily of ad valorem revenue, which is based on an annual levy of 36 mills (one mill is equal to \$1 per \$1,000 of net assessed valuation). For 2021-22, the District's net assessed valuation grew by 6% primarily due to an increase in personal real property within the boundaries of the District. Additional information on the District's net assessed valuation can be found in the Statistical Section of this report. Other local sources of revenue include fees from before and after school care, donations, interest earnings, and facility rentals.

Intermediate sources of revenue include the county 4-mill ad valorem levy and county mortgage apportionment. The largest source of revenue, received from the state, includes Foundation & Salary Incentive Aid, the State Health Insurance Allowance, Motor Vehicle Collections, and State School Land Earnings.

Federal sources of revenue include IDEA, all No Child Left Behind programs, title programs, other federal programs, and Covid-19 federal relief packages.

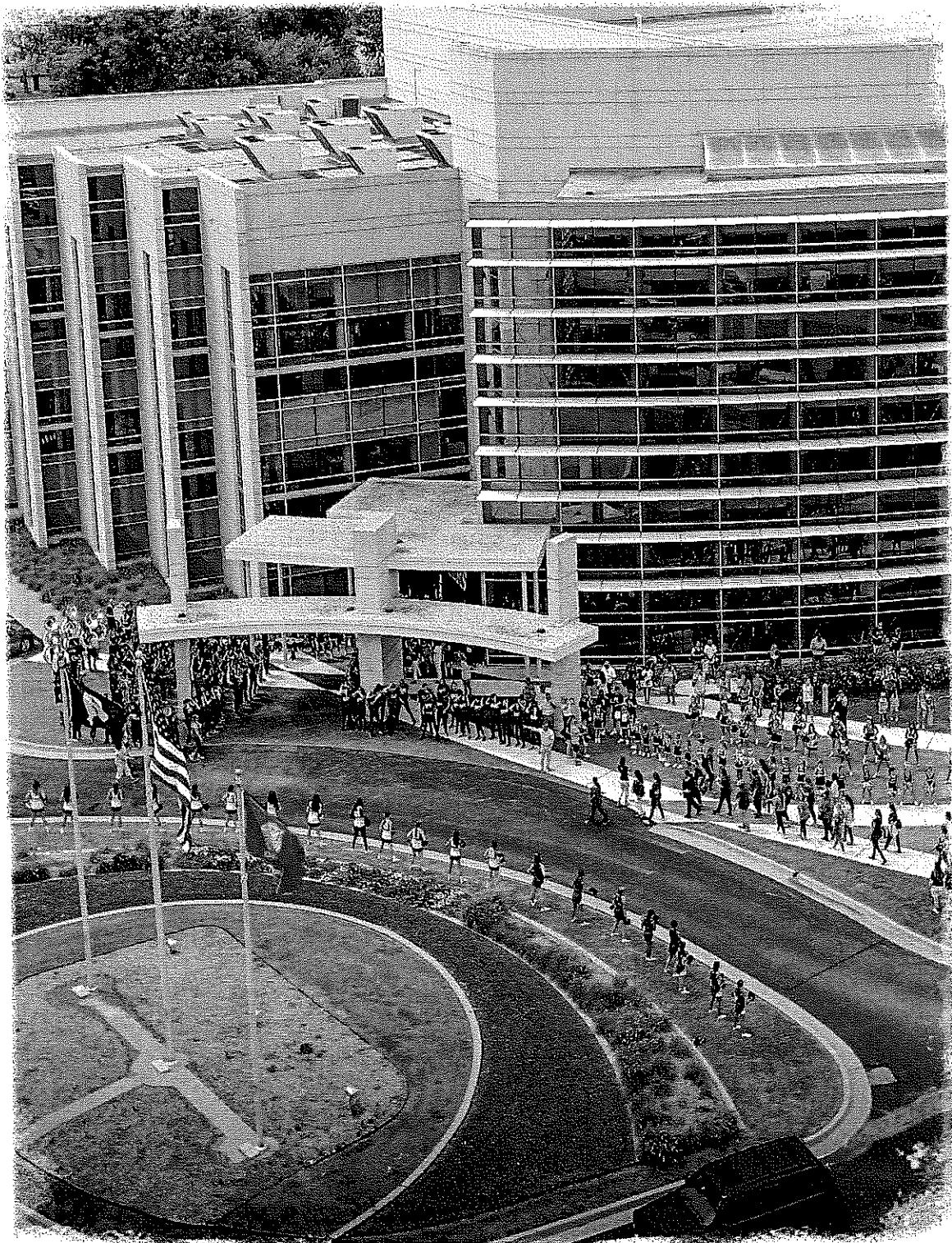
The District finance office uses a zero-based budgetary approach for allocation based on historical expenditures and services provided. Despite continued increases in state revenue collections, the District continues to maintain a conservative budget. The District also continued the tradition of preserving a strong year-end fund balance.

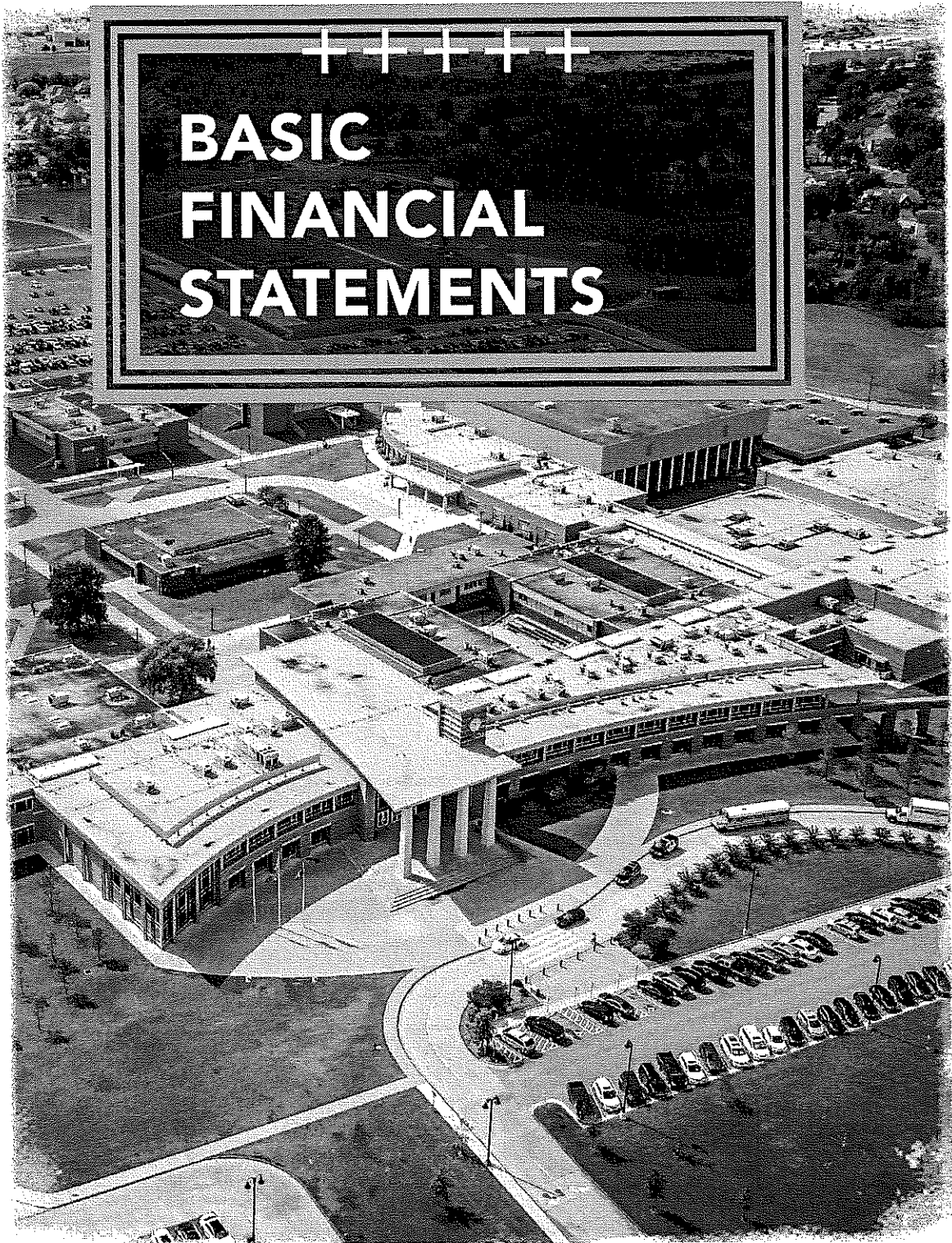
The District continues to provide reciprocal benefit to the community and schools, therefore continually experiencing positive citizen support. Bond dollars passed by the community provide the necessary funding for facilities, renovations, technology, textbooks, instructional equipment and uniforms. It is these annual bond dollars and strong patronage that allow the District the opportunity and commitment to maintain facilities and to maximize the use of instructional technology and equipment. State law limits a school district's bonding capacity to ten percent of its net assessed valuation.

**BROKEN ARROW PUBLIC SCHOOLS
FINANCIAL SECTION: MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the District's financial position, and to demonstrate the District's accountability for the resources it receives. If you have questions about this report, or would like additional information, contact Mrs. Natalie Eneff, Chief Financial Officer, Broken Arrow Public Schools, 701 S. Main Street, Broken Arrow, Oklahoma, 74012. The District's web page is located at <http://www.baschools.org>.







Broken Arrow Public Schools
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Current:	
Cash and cash equivalents	\$ 30,444,925
Investments	85,176,816
Receivables net of allowance for uncollectibles	82,898,943
Inventories	641,871
Total current assets	<u>199,162,554</u>
Noncurrent:	
Land and construction-in-progress	19,242,520
Capital assets being depreciated, net	276,091,315
Total noncurrent assets	<u>295,333,835</u>
Total assets	<u>494,496,389</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>27,933,338</u>
LIABILITIES	
Current:	
Accounts payable and other current liabilities	1,677,677
Accrued interest payable	472,043
Unearned Revenues	147,525
Current portion of long-term obligations	34,410,919
Total current liabilities	<u>36,708,165</u>
NON-CURRENT	
Non-current portion of long-term obligations	77,024,255
Net pension liability	86,224,222
Total noncurrent liabilities	<u>163,248,477</u>
Total liabilities	<u>199,956,642</u>
DEFERRED INFLOWS OF RESOURCES	
Succeeding year property tax	77,664,617
Deferred pension plan inflows	48,848,887
Total deferred inflows of resources	<u>126,513,504</u>
NET POSITION	
Net Investment in Capital Assets	233,618,199
Restricted for:	
Debt Service	16,429,163
Building	6,130,755
Child Nutrition	6,144,116
Other Programs	4,964,759
Unrestricted	<u>(71,327,411)</u>
TOTAL NET POSITION	<u>\$ 195,959,582</u>

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Activities
For the Year Ended June 30, 2022

GOVERNMENTAL ACTIVITIES:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Instruction	\$ 90,746,819	\$ 631,281	\$ 10,946,172	\$ (79,169,365)
Support services - Students and staff	14,984,119	-	2,356,678	(12,627,441)
Instructional and school leadership	7,545,082	-	977,974	(6,567,108)
Administrative support services	18,776,087	-	2,357,211	(16,418,876)
Operation and maintenance of plant services	17,873,819	-	5,978,673	(11,895,145)
Student transportation services	8,219,066	-	1,247,317	(6,971,749)
Operation of non-instructional services	14,413,136	2,896,527	12,530,365	1,013,756
Facilities acquisition and construction services	2,693,232	-	-	(2,693,232)
Private, Nonprofit schools	14,713	-	5,141	(9,572)
Interest on long-term debt	1,968,970	-	-	(1,968,970)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 177,235,043	\$ 3,527,808	\$ 36,399,531	\$ (137,307,704)
GENERAL REVENUES				
Taxes:				
Property tax, levied for general purposes				45,214,749
Property tax, levied for debt services				30,791,195
State aid - formula grants				53,786,071
Unrestricted dedicated state revenue				33,459,785
Unrestricted intermediate county taxes				6,961,786
Interest and investment earnings				202,518
Gain on sale of capital assets				28,711
Other local revenue				7,712,964
TOTAL GENERAL REVENUES				178,157,780
CHANGE IN NET POSITION				40,850,077
NET POSITION - BEGINNING				155,109,505
NET POSITION - ENDING				\$ 195,959,582

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Balance Sheet - Governmental Funds
June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 21,836,924	\$ 513,224	\$ 822,046	\$ 6,961,069	\$ 30,133,262
Investments	9,965,079	49,206,298	15,466,216	10,539,223	85,176,816
Receivables net of allowance for uncollectibles	45,081,274	17	32,077,628	5,740,025	82,898,943
Inventories	312,596	-	-	329,275	641,871
TOTAL ASSETS	\$ 77,195,873	\$ 49,719,539	\$ 48,365,890	\$ 23,569,591	\$ 198,850,892
LIABILITIES					
Accounts payable	1,227,297	-	-	441,762	1,669,059
Other liabilities	-	-	-	147,525	147,525
TOTAL LIABILITIES	1,227,297	-	-	589,287	1,816,584
DEFERRED INFLOWS OF RESOURCES					
Succeeding year property tax	40,013,447	-	31,936,726	5,714,444	77,664,617
TOTAL DEFERRED INFLOWS OF RESOURCES	40,013,447	-	31,936,726	5,714,444	77,664,617
FUND BALANCES					
Non-spendable:					
Inventory	312,596	-	-	329,275	641,871
Restricted for:					
Federal and state allocation carryover	4,869,525	-	-	-	4,869,525
Capital projects	-	49,719,539	-	-	49,719,539
Debt service	-	-	16,429,163	-	16,429,163
Building	-	-	-	6,130,755	6,130,755
Child Nutrition	-	-	-	6,144,116	6,144,116
Endowment	-	-	-	44,676	44,676
Arbitrage	-	-	-	55,261	55,261
Student activities	-	-	-	4,561,777	4,561,777
Unassigned	30,773,008	-	-	-	30,773,008
TOTAL FUND BALANCES	35,955,128	49,719,539	16,429,163	17,265,861	119,369,691
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 77,195,873	\$ 49,719,539	\$ 48,365,890	\$ 23,569,591	\$ 198,850,892

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balances - Governmental Funds	\$	119,369,691
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The Statement of Net Position includes those capital assets of the District as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds:

Cost of assets	\$	420,835,439	
Accumulated depreciation		<u>(125,501,604)</u>	295,333,835

An Internal Service Fund is used by the District's management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities.

303,044

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Interest payable on debt and other long-term obligations are also not recorded in the governmental funds but are reported in the Statement of Net Position.

Long-term liabilities at year-end consist of:

Bonds and contracts	(111,435,175)	
Interest payable	<u>(472,043)</u>	(111,907,218)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	(86,224,222)
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Pension related deferred outflows and inflows are not due and payable in the current period, therefore, they are not reported in governmental funds.

Deferred pension plan outflows	27,933,338
Deferred pension plan inflows	<u>(48,848,887)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>195,959,582</u>
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See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 42,935,878	\$ 11,233	\$ 30,884,692	\$ 12,496,779	\$ 86,328,582
Intermediate sources	6,961,786	-	-	-	6,961,786
State sources	80,839,428	-	32	1,152,592	81,992,053
Federal sources	24,419,931	-	-	11,248,466	35,668,397
Other sources	755,602	-	-	1,013,924	1,769,526
TOTAL REVENUES	155,912,626	11,233	30,884,724	25,911,761	212,720,344
EXPENDITURES					
Current					
Instruction	86,227,445	1,701,042	-	307,767	88,236,254
Student	13,738,265	66,224	-	987,808	14,792,297
Instructional staff	6,518,480	1,179,712	-	88,007	7,786,198
Administration	18,367,539	526,738	-	203,165	19,097,442
Operations and maintenance	12,890,396	1,401,197	-	4,419,196	18,710,788
Student transportation	7,246,014	966,101	-	92,043	8,304,158
Child nutrition operations	11,050	-	-	9,163,660	9,174,710
Community service operations	1,891,078	-	-	1,273,845	3,164,923
Other	441,075	-	-	1,646,605	2,087,680
Capital outlay	-	23,878,000	-	16,350	23,894,350
Debt service					
Principal	-	-	33,355,000	-	33,355,000
Interest	-	-	1,973,590	-	1,973,590
TOTAL EXPENDITURES	147,331,340	29,719,014	35,328,590	18,198,445	230,577,390
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 8,581,285	 (29,707,781)	 (4,443,866)	 7,713,316	 (17,857,046)
OTHER FINANCING SOURCES (USES)					
Bond issuance	-	46,885,000	-	-	46,885,000
Premium on new bond issuance	-	-	1,212	-	1,212
TOTAL OTHER FINANCING SOURCES (USES)	-	46,885,000	1,212	-	46,886,212
 NET CHANGE IN FUND BALANCES	 8,581,285	 17,177,219	 (4,442,654)	 7,713,316	 29,029,166
FUND BALANCE AT BEGINNING OF YEAR	27,373,843	32,542,320	20,871,817	9,552,545	90,340,525
FUND BALANCE AT END OF YEAR	\$ 35,955,128	\$ 49,719,539	\$ 16,429,163	\$ 17,265,861	\$ 119,369,691

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balance with the
District-Wide Statement of Activities
For the Year Ended June 30, 2022

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ 29,029,166

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and are allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceed depreciation for the period.

Capital outlays	\$ 27,323,184	
Depreciation expense	(11,286,628)	
Retirements and adjustments	<u>(300,900)</u>	15,735,656

Receivables recorded but the related revenues not available soon enough after year-end were reported as deferred inflows of resources in the governmental funds in accordance with GASB Statement No. 65.

This is the net change between fiscal years. (4,410,433)

Bond and noncurrent loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and noncurrent loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayments of principal exceeded loan proceeds.

Repayments of principal	33,355,000	
Loan proceeds	<u>(46,885,000)</u>	(13,530,000)

Premium received on bonds is amortized over the life of the bond. This is the amount by which the current year bond premium was exceeded by amortization.

Current year bond premium	(1,212)	
Amortization of bond premium	<u>59,977</u>	58,766

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest cost is recognized as the interest accrues, regardless of when it is due. This is the net change in amount of interest payable. (55,358)

The District uses Internal Service Funds to charge the costs of certain activities, such as self insurance, to appropriate function in other funds. The net income (loss) of Internal Service Funds are reported with governmental activities. The net effect of this consolidation is to increase the change in net position. 158,673

Some expenses (compensated absences, insurance claims, and pension expense) reported in the Statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 13,863,607

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 40,850,077

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Net Position - Proprietary Funds
June 30, 2022

		Governmental Activities - Internal Service Fund: Workers' Compensation Fund
ASSETS		
CURRENT ASSETS		
Cash and equivalents		\$ 311,662
	TOTAL ASSETS	<u>311,662</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable		<u>8,618</u>
	TOTAL CURRENT LIABILITIES	<u>8,618</u>
NET POSITION		
Unrestricted		<u>303,044</u>
	TOTAL NET POSITION	<u>303,044</u>
	TOTAL LIABILITIES AND NET POSTION	<u>\$ 311,662</u>

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2022

		Governmental Activities - Internal Service Fund: Workers' Compensation Fund
OPERATING REVENUES		
Reimbursements		<u>\$ 300,000</u>
	TOTAL OPERATING REVENUES	<u>300,000</u>
OPERATING EXPENSES		
Medical claims		<u>141,327</u>
	TOTAL OPERATING EXPENSES	<u>141,327</u>
	OPERATING INCOME (LOSS)	<u>158,673</u>
CHANGES IN NET POSITION		<u>158,673</u>
NET POSITION AT BEGINNING OF YEAR		<u>144,371</u>
NET POSITION AT END OF YEAR		<u>\$ 303,044</u>

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2022

	Governmental Activities Internal Service Fund: Workers' Compensation Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Interfund services provided	\$ 300,000
Cash payment for insurance claims	(139,676)
Cash payments to suppliers for goods and services	(6,417)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>153,907</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	153,907
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>157,755</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>311,662</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Operating Income (loss)	158,673
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Change in assets, deferred outflows, liabilities, and deferred inflows:	
Increase (decrease) in Accounts payable	(4,766)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 153,907</u></u>

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Net Position - Fiduciary Funds
June 30, 2022

	Private-Purpose Trust Fund
ASSETS	
Cash and cash equivalents	\$ 58,235
TOTAL ASSETS	<u>58,235</u>
LIABILITIES	
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Held for scholarships	<u>58,235</u>
TOTAL NET POSITION	<u>\$ 58,235</u>

See Notes to the Basic Financial Statements



Broken Arrow Public Schools
Statement of Changes in Net Position - Fiduciary Funds
For the Year Ended June 30, 2022

	<u>Private-Purpose Trust Fund</u>
ADDITIONS	
Contributions	\$ 3,900
Interest income	17
Other sources	<u>1,000</u>
TOTAL ADDITIONS	<u>4,917</u>
DEDUCTIONS	
Scholarships awarded	<u>9,905</u>
TOTAL DEDUCTIONS	<u>9,905</u>
 CHANGE IN NET POSITION	 (4,988)
 NET POSITION AT BEGINNING OF YEAR	 <u>63,223</u>
 NET POSITION AT END OF YEAR	 <u>\$ 58,235</u>

See Notes to the Basic Financial Statements

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies

The Basic Financial Statements of the Broken Arrow Public Schools Independent District No. 3 (the "District") have been prepared in conformity with generally accepted accounting principles ("GAAP") promulgated by The Government Accounting Standards Board ("GASB"). The District also complies with any contracts and grants of agencies from which it receives funds. The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The more significant of the District's accounting policies are described below.

Reporting Entity

The District is a corporate body for public purposes created under Title 70 of the Oklahoma Statutes and accordingly is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the State Board of Education and is financially dependent on State of Oklahoma support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma Statutes. The governing body of the District is the Board of Education composed of five elected members. The appointed Superintendent is the executive officer of the District.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board's ("GASB") *Codification of Governmental Accounting and Financial Reporting Standards*, since Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. There are no component units included within the reporting entity. The District is a governmental entity exempt from federal income taxation under Internal Revenue Code Section 115.

Further, the Broken Arrow Education Foundation and the Broken Arrow Performing Arts Center Foundation are not included in the reporting entity. The District does not appoint any of the board members or exercise any oversight authority over these Foundations.

Government-Wide and Fund Financial Statements

The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance.

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The Statement of Net Position reports the District's financial and capital resources. Liabilities are segregated between current liabilities (those that are due within one year) and long-term liabilities (those that are due in more than one year).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

specific function. Program revenues include tuition or fees paid by students or citizens of the District and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items including Foundation Incentive Aid (also referred to as State Aid), which are not properly included among program revenues, are reported as general revenues. Interest on general long-term debt, adjusted by the amortization of bond premiums, is considered an indirect expense and is reported on the Statement of Activities.

The Fund Financial Statements provide reports on the financial condition and results of operations for three fund categories: Governmental, Proprietary, and Fiduciary. Since the resources in the Fiduciary Funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis on Fund Financial Statements is on major governmental funds, each displayed in a separate column.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operation. All other revenues and expenses are non-operating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-Wide Financial Statements use economic resources measurement focus and the accrual basis of accounting, as do the Proprietary and Fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized, when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, interest and amounts due from other governments associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Fund Accounting

The District reports its financial activities through the use of fund accounting. This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. There are

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

three categories of funds: Governmental, Proprietary, and Fiduciary.

Governmental Funds

Governmental Funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general capital assets (Capital Project Funds), and the servicing of general long-term debt (Debt Service Funds). Government Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows of resources is reported as the fund balance.

All Governmental Funds can be classified into one of five types: the General Fund, Capital Projects Fund, Debt Service Fund, Special Revenue Funds, and Permanent Funds. In the fund financials, data from each *major* fund is presented in a separate single column while data from all the nonmajor funds are aggregated into a single column.

The District reports the following Major Governmental Funds:

General Fund - The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include state and local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction and debt service on bonds and other long-term debt. Federal and state restricted monies that must be expended for specific programs and compensated absences incurred by the District are also included in the General Fund.

Capital Project Funds - The Capital Project Funds are used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities and acquiring transportation equipment.

Debt Service Fund - The District's Debt Service Fund is used to account for the accumulation of financial resources for the payment of general long-term (including judgments) debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

The District reports the following Nonmajor Governmental Funds:

Special Revenue Funds - Special Revenue Funds are used to account for all financial resources restricted to, or designated for, committed or assigned to expenditures for particular purposes. The District reports the following Special Revenue Funds:

Building Fund - The Building Fund consists mainly of monies derived from property taxes levied for the purpose of erecting, remodeling, repairing, or maintaining school buildings and for purchasing furniture, equipment and computer software to be used on or for school district property, for paying energy and utility costs, for purchasing telecommunications services, for paying fire and casualty insurance premiums for school facilities, and for purchasing security systems.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Child Nutrition Fund - The Child Nutrition Fund consists of monies derived from federal and state financial assistance and food sales. This fund is used to account for the various nutrition programs provided to students.

Arbitrage Rebate Fund - The Arbitrage Rebate Fund is used to pay the rebatable arbitrage of certain bond issues to which the Internal Revenue Service arbitrage rules apply. These funds will either be retained or transferred to the Internal Revenue Service, depending on future financial events and computations. The District did not have any arbitrage liability for the year ended June 30, 2022.

Student Activity Fund (Custodial Fund) - The Student Activity Fund is a special revenue fund used to account for monies collected principally through fundraising efforts of the students and district sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds. These are committed funds and therefore now reported as a non-major governmental fund instead of a fiduciary fund with the implementation of GASB Statement No. 84.

Permanent Fund (Endowment) - The Permanent Fund (Endowment Fund), is used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used to support the reporting government's programs and as per the endowment terms. The Endowment Fund receives its assets through contributions from philanthropic foundations, individuals or private organizations for which no repayment or special service to the contributor is expected.

The Texaco/F.A. Petrick Endowment Fund accounts for a donor-restricted endowment whose funds, in the amount of \$44,676, are restricted to expenditures for awarding college scholarships to Broken Arrow high school graduates. The available amounts for expenditure are reflected in the net position as restricted expendable. State law allows for expending available net appreciation of donor-restricted endowment to support the reporting government's programs as per the endowment terms.

Proprietary Funds

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is useful to financial administration. Goods and/or services can be provided to both outside parties or to other departments or agencies primarily within the District. Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District reports the following major Proprietary Funds:

Internal Service Fund - The District has established an Internal Service Fund to account for the transactions of its self-insured workers' compensation plan. Income from this fund is derived primarily from charges to governmental funds based on usage. Accrued liabilities include provisions from claims reported and claims incurred but not reported for workers' compensation insurance. The provision for reported claims is determined by estimating the amount that will ultimately be paid to each claimant.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Fiduciary Funds

Fiduciary Funds are used to account for assets held on behalf of outside parties, including other Governments, or on behalf of other funds within the District. Private-Purpose Trust Funds are used to report other arrangements under which principal and income benefit individuals and use the terms “expendable” or “nonexpendable” (requirement to maintain invested resources intact). Fiduciary Funds are not incorporated into the Government-Wide Financial Statements.

Private-Purpose Trust Fund - This fund is an expendable trust fund and is also called the Gift Fund. The Gift Fund receives its assets by way of philanthropic foundations, individuals, or private organizations for which no repayment or special service to the contributor is expected. These assets are held for the benefit of others and cannot be used to address activities or obligations of the government. The District maintains a meaningful degree of ongoing responsibility for the resources once they have been contributed.

Other Accounting Policies

Cash and Cash Equivalents - The District considers all cash on hand, demand deposits and highly liquid investments with original maturity of three months or less when purchased to be cash and cash equivalents.

Investments - Investments consist of United States Treasury securities and agencies and certificates of deposit. All investments are recorded at fair value generally based on quoted market prices or estimated fair values provided by brokerage statements. The net change in fair value of investments is recognized and reported as earnings (loss) on investments.

Property Tax Revenues and Receivables - The District is authorized by state law to levy property taxes, which consist of ad valorem taxes on real and personal property within the district. These property taxes are distributed to the district's General Fund, Building Fund, and Debt Service Fund based on the levies approved for each fund. The district receives property taxes from two counties. The county assessor for each county, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax rolls of submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1. If the first payment is not made in a timely manner, the entire tax becomes due and payable on January 2. The second half of taxes become delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied. Delinquent property taxes, which are not collected within the availability period, 60 days of the year end, are recorded in the Governmental Fund Financial Statements as deferred inflows of resources. An allowance for uncollectible property taxes is calculated based on historical collection data.

Inventories - The District uses the consumption method to account for inventories of supplies and materials. Under this method, these items are carried in an inventory account of the respective fund at cost, using the weighted average method of accounting and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received at no cost, their fair value is supplied by the Oklahoma Department of Human Services and is recorded as inventory on the date

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

received. In Governmental Funds, inventories are reported as non-spendable fund balance.

Capital Assets - Capital assets, which include land, land improvements, building, building improvements, furniture and equipment, are reported in the Government-Wide Financial Statements. Land, land improvements, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed.

The capitalization threshold for buildings and improvements, and equipment and fixtures is \$5,000, respectively. Donated capital assets, as well as, capital assets received in a service concession arrangement, are recorded at acquisition value (an entry price) as implemented in GASB Statement No. 72, Fair Value Measurement and Application. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Building and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Equipment is depreciated using the straight-line method beginning in the month acquired. The District's capital assets have the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	10-50
Improvements other than buildings	10-50
Equipment, vehicles & fixtures	5-15

Pensions - The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

Compensated Absences - A liability for compensated absences attributable to the District's governmental funds is recorded in the Government-Wide Financial Statements. It is the District's policy to provide payment to the employee for sick leave, upon retirement or severance of employment. The District policy provides payment to eligible employees for accumulated sick days. This liability is intended to accommodate these payments.

Accrued Compensation - Salaries, wages, and benefits that have been earned but not paid as of the end of the fiscal year are reported as a liability on the Fund Balance Sheet and Statement of Net Position. The district has two pay cycles. Employees on each cycle, including teachers, render services under their various contracts prior to the end of the fiscal year for which they do not receive payment until after the end of the fiscal year. The total gross amount of salaries, wages, and benefits associated with these services are reported as a liability on the financial statements.

Revenue - All sources of revenue other than federal revenue are recognized as soon as they are both measurable and available. Federal revenue is considered earned in the same period the associated reimbursable expense is recognized. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities in the current period. For this

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period.

Deferred Outflows of Resources - In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources until that period. Deferred outflows of resources for the year ended June 30, 2022, consist of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period. See Note 6 for additional discussion regarding pension deferred outflows of resources.

Deferred Inflows of Resources - In addition to liabilities, the Statement of Net Position and Fund Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable local sources of revenues and succeeding year property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or the period levied for and budgeted. In the District's Government-Wide Financial Statements, the property tax revenues for the succeeding year remain a deferred inflow and will be recognized as revenue in the year for which they are levied and budgeted for. The District's Government-Wide Financial Statements also consist of unrecognized items not yet charged to pension expense. See Note 6 for additional discussion regarding pension deferred inflows of resources.

Encumbrances - Encumbrances represent commitments related to purchase orders, contracts, other commitments for expenditures or resources, and goods or services received by the District for which a warrant has not been issued. Expenditures are recorded and liabilities are recognized for outstanding encumbrances at year end in accordance with the regulatory basis of accounting.

Long-Term Liabilities - Long-term liabilities are recognized as a liability of a governmental fund when due, or when resources have been accumulated in the Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bonds payable are reported net of the applicable bond premium or discount. Bond premium or discounts on debt qualifying as capital-related debt, is included in calculating the amount that is reported as the net investment in capital assets. The District defers and amortizes bond premiums and discounts over the life of the Bonds using the straight-line interest method. Bond issuance costs are not significant and are reported as current year expenditures.

In the Fund Financial Statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as administrative support service expenditures.

Net Positions and Fund Balances - The Government-Wide Financial Statements utilize a net position presentation. Net position on the Statement of Net Position include the following:

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Net investment in capital assets - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, if any. The total unexpended Bond-Capital Purposes is \$49.7 million at June 30, 2022.

Restricted for specific purpose - The component of net position that reports the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources of certain programs should be reported when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

The restricted net position for other programs is made up of the following:

Arbitrage	\$ 55,261
Student activities	4,561,777
Endowment	44,676
Workers compensation	303,044
Total restricted for other programs	\$ 4,964,759

Unrestricted - This consists of net position that does not meet the definition of restricted net position or net investment in capital assets.

Fund Balances and Equity - Fund balance refers to the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the Governmental Funds Balance Sheet.

The District has a Board of Education policy setting the minimum annual General Fund balance of 8.0% of annual revenue. Fund balance consists of five categories, defined in Governmental Accounting Standards Board Statement No. 54, as follows:

Non-spendable - includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, permanent fund principal, prepaid items, and long-term receivables.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes the child nutrition program, arbitrage, retirement of long-term debt, construction programs, building fund, student activity fund, and other federal and state grants.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action at the highest level of decision-making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Education.

Assigned - includes fund balance amounts that are self-imposed by the District to be used for a particular purpose pursuant to the District's Board of Education Policy 6090. This policy dictates that in order to meet the District's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board establishes an acceptable range for the General Fund year end fund balance.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Based on an analysis of the District's cash flow and the need for a contingency, the targeted minimum annual fund balance for the General Fund is 8.0% of annual revenue. For purposes of this policy, the term "annual revenue" refers to the total amount of annual General Fund collections, excluding the previous year's fund balance, as of June 30. The fund balance can be assigned by the District's Board of Education, the Superintendent, or the Chief Financial Officer.

All other funds will be based on an analysis of cash flow requirements as may be established by state law or regulations.

Unassigned - includes residual positive fund balances within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District's policy for the application of net position for which both restricted and unrestricted net position is available, restricted net position is considered to have been spent first.

It is the District's policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The District's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following information provides the fund balance classifications as shown in the Governmental Funds Balance Sheet as of June 30, 2022:

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
FUND BALANCES					
Nonspendable:					
Inventory	\$ 312,596	-	-	\$ 329,275	\$ 641,871
Permanent fund principal	-	-	-	-	-
Restricted for:					
Federal and state allocation					
carryover	4,869,525	-	-	-	4,869,525
Capital projects	-	49,719,539	-	-	49,719,539
Debt service	-	-	16,429,163	-	16,429,163
Building	-	-	-	6,130,755	6,130,755
Child Nutrition	-	-	-	6,144,116	6,144,116
Endowment	-	-	-	44,676	44,676
Arbitrage	-	-	-	55,261	55,261
Student activities	-	-	-	4,561,777	4,561,777
Unassigned	30,773,008	-	-	-	30,773,008
TOTAL FUND BALANCES	\$ 35,955,128	\$ 49,719,539	\$ 16,429,163	\$ 17,265,861	\$ 119,369,691

District's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the district to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclose contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Revenues

Local Revenues - Revenue from local sources is the monies generated from within the boundaries of the District and available to the District for its use. The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. These property taxes are distributed to the District's General, Building and Debt Service Funds based on the levies approved for each fund. The County Assessor, upon receipt of the certification of tax levies from the County Excise Board, extends the tax levies on the tax rolls for submission to the County Treasurer prior to October 1. The County Treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made in a timely manner, the entire amount of tax becomes due and payable on January 2. The second half of taxes become delinquent on April 1, of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the owner has not done so, the purchaser is issued a deed to the property. Other local sources of revenues include tuition, fees, rentals, disposals, commissions and reimbursements.

Intermediate Revenues - Revenue from intermediate sources is the amount of money from funds collected by an intermediate administrative unit, or a political subdivision between the District and the state, and distributed to districts in amounts that differ in proportion to those which are collected within such systems.

State Revenues - Revenues from state sources for current operations are primarily governed by the State Aid Formula under the provisions of Article XVIII, Title 70, Oklahoma Statutes. The State Board of Education administers the allocation of State Aid funds to school districts based on information accumulated from the districts.

After review and verification of reports and supporting documentation, the State Department of Education may adjust subsequent fiscal period allocations of money for prior year errors disclosed by review. Normally, such adjustments are treated as reductions from or additions to the revenue of the year when the adjustment is made. The District receives revenue from the state to administer certain categorical educational programs. State Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The State Department of Education requires that categorical educational program revenues be accounted for in the General Fund. The aforementioned state revenues are apportioned to the District's General Fund.

Federal Revenues - Federal revenues consist of revenues from the federal government in the form of operating grants or entitlements. An operating grant is a contribution to be used for a specific purpose, activity or facility. A grant may be received either directly from the federal government or indirectly as a pass-through from another government, such as the state. An entitlement is the amount of payment to which the District is entitled pursuant to an allocation formula contained in applicable statutes. The majority of the federal revenues received by the District are apportioned to the General Fund. The District maintains a separate Child Nutrition Fund and the federal revenues received for the child nutrition programs are apportioned there.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

Interest Earnings - Represent compensation for the use of financial sources over a period of time.

Other Sources and Non-Revenue Receipts - Other sources represent primarily prior year lapsed encumbrances from Capital Project Funds and prior year adjustments. Non-revenue receipts represent receipts deposited into a fund that is not new revenues to the District, but the return of assets.

Expenditures

Instruction Expenditures - Instruction expenditures include the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location, such as a home or hospital, and in other learning situations, such as those involving co-curricular activities. It may also be provided through some other approved medium, such as television, radio, telephone and correspondence. Included here are the activities of teacher assistants of any type (clerks, graders, teaching machines, etc.) which assist in the instructional process.

The activities of tutors, translators and interpreters would be recorded here. Department chairpersons who teach for any portion of time are included here. Tuition/transfer fees paid to other local education agencies would be included here.

Support Services Expenditures - Support services expenditures provide administrative, technical (such as guidance and health) and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves. These services are designed to assess and improve student well-being and to supplement the teaching process.

Operation of Non-Instructional Services Expenditures - Activities concerned with providing non-instructional services to students, staff or the community.

Facilities Acquisition and Construction Services Expenditures - Consists of activities involved with the acquisition of land and buildings; remodeling buildings; the construction of buildings and additions to buildings; initial installation or extension of service systems and other built-in equipment; and improvements to sites.

Other Outlays Expenditures - A number of outlays of governmental funds are not properly classified as expenditures but still require budgetary or accounting control. These are classified as other outlays. These include debt service payments (principal and interest).

Other Uses Expenditures - This includes scholarships provided by private gifts and endowments, student aid and staff awards supported by outside revenue sources (i.e., foundations), and expenditures for self-funded employee benefit programs administered either by the District or a third-party administrator.

Repayment Expenditures - Repayment expenditures represent checks/warrants issued to outside agencies for refund or restricted revenue previously received for overpayment, non-qualified expenditures and other refunds to be repaid from District funds.

Interfund Transactions - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund or

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Summary of Significant Accounting Policies – cont'd

expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except interfund services provided and used for reimbursements, are reported as transfers.

Note 2. Cash, Cash Equivalents, and Investments

Maturities of investments as of June 30, 2022 are as follows (000's):

Investment Type	Investment Maturities (in Years, In Millions)	
	Fair Value	Less Than 1
Certificates of Deposit	\$ 18,535	\$ 18,535
Agency/Treasury Money Market Fund	67,741	67,741
Total	<u>\$ 86,276</u>	<u>\$ 86,276</u>

The District's investment policies are governed by state statute. Permissible investments include direct obligations of the United States government and agencies; certificates of deposit of savings and loan associations, banks and trust companies; savings accounts or savings certificates of savings and loan associations, banks, and trust companies; warrants, bonds or judgments of the District. Income from investments reported in one fund can be assigned directly to another fund.

Fair Value Measurements - Investments are measured at fair value as defined in GASB Statement No. 72, *Fair Value Measurement and Application*. The district categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices included within level 1-that are observable for an asset or liability, either directly or indirectly. Level 2 inputs include: a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in markets that are not active; and c) inputs other than quoted prices that are observable for the asset or liability, such as: (1) interest rates and yield curves observable at commonly quoted intervals; (2) implied volatilities and (3) credit spreads. Level 3 inputs are significant unobservable inputs.

As of June 30, 2022, all of the district's investments are valued using level 2 inputs. The value determined using quoted prices for similar assets or liabilities in active markets.

Credit Risk - Credit risk refers to the risk that a borrower will default on any type of debt by failing to make required payments. The risk is primarily that of the lender and includes lost principal and interest, disruption to cash flows, and increased collection costs. Fixed-income securities are subject to credit risk. Credit quality ratings are one method of assessing the ability of the issuer to meet its obligation. There is no District policy related to the limitations on credit rating risk. Due to the unfavorable economic climate and extremely low available interest rates for investing, investments were purchased to obtain the highest possible interest rate.

Custodial Credit Risk - deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require collateral for amounts in excess of federally insured amounts. The District's policy 6130 requires collateral equal to 110% of the deposit amount for all deposits not covered by F.D.I.C. insurance. The bank balance was completely covered by

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2. Cash, Cash Equivalents, and Investments – cont'd

federal depository insurance and by collateral held by the District's third-party agent in the District's name. As of June 30, 2022, all of the District's deposits were either covered by federal deposit insurance or were collateralized at 110% of the investment principal.

Custodial Credit Risk - Investments - is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District's policy requires that all investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the investments. As of June 30, 2022, all of the District's investments were either covered by federal deposit insurance or were fully collateralized. Further, all of the District's investments are held by its agent in the District's name. Accordingly, no investments are subject to custodial credit risk.

Concentration of Credit Risk - The District's investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments. The District's policy 6130 states the District's investment strategy should be based on the following guidelines: safety of principal, liquidity, yield, diversification, maturity, and quality of the investment instrument.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. Due to the required liquidity for those investments, these funds have no defined maturity dates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses from increasing interest rates but monitors investment performance on an ongoing basis to limit the District's interest rate risk.

Foreign Currency Risk - As of June 30, 2022, the District does not hold any foreign currency investments in the investment portfolio.

Cash - The District's bank balance of deposits, cash pools (sweep accounts) and high balance savings at June 30, 2022, was \$48,704,617 of which \$18,201,458 is obligated for outstanding checks.

Investments & Investment Authority - The District Treasurer is required by the Board to invest District monies in the custody of the Treasurer in those investments permitted by law. The Treasurer shall, to the extent practicable, use competitive bids when purchasing direct obligation of the United States Government or other obligations of the United States Government, its agencies or instrumentalities.

The District Treasurer shall limit investments to:

- Direct obligations of the United States Government to the payment of which the full faith and credit of the Government of the United States is pledged; provided the District Treasurer, after completion of an investment education program in compliance with applicable law, may invest funds in the investment account in other obligations of the United States Government, its agencies or instrumentalities;
- Obligations to the payment of which the full faith and credit of this state is pledged;
- Certificates of deposits of banks when such certificates of deposits are secured by acceptable collateral as in the deposit of other public monies;
- Savings accounts or savings certificates of savings and loan associations to the extent that such accounts or certificates are fully insured by the Federal Savings and Loan Insurance Corporation;

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 2. Cash, Cash Equivalents, and Investments – cont'd

- Repurchase agreements that have underlying collateral consisting of those items specified in paragraphs 1 and 2 above, including obligations of the United States, its agencies and instrumentalities, and where the collateral has been deposited with a trustee or custodian bank in an irrevocable trust or escrow account established for such purposes;
- County, municipal or school district direct debt obligations for which an ad valorem tax may be levied or bond and revenue anticipation notes, money judgments against such county, municipality or school district ordered by a court of record or bonds or bond and revenue anticipation notes issued by a public trust for which such county, municipality or school district is a beneficiary thereof. All collateral pledged to secure public funds shall be valued at no more than market value;
- Money market mutual funds regulated by the Securities and Exchange Commission and which investments consist of obligations of the United States, its agencies and instrumentalities, and investments in those items and those restrictions specified in paragraphs 1 through 6 above;
- Warrants, bonds, or judgments of the District;
- Qualified pooled investment programs through an interlocal cooperative agreement formed pursuant to applicable law and to which the Board of Education has voted to be a member, the investment of which consist of those items specified in paragraphs 1 through 8 above, as well as obligations of the United States, its agencies and instrumentalities; or
- Any other investment that is authorized by law.

At June 30, 2022, the District's investments consisted of certificates of deposits and United States Treasury Bills with an approximate fair market value of \$85.1 million.

Note 3. Receivables

The major receivables for governmental activities are federal revenue and taxes receivables. Amounts are aggregated into a single accounts receivable (net of allowance for uncollectible) line for governmental funds. The majority of the receivable balance is attributable to Due from Other Governments. The District participates in a variety of federal and state programs which it receives grants to partially or fully finance certain activities. At June 30, 2022, \$77,664,617 of receivables were considered to be unavailable and were recorded as deferred inflows of resources in governmental funds. Amounts due from federal governments as of June 30, 2022 are presented in the following table. Other receivables were the result of child nutrition catering charges, and building rental amounts not received as of June 30, 2022. These amounts are expected to be collected within the next fiscal year.

Interfund Receivables, Payables and Transfers - Interfund activities among governmental funds and between governmental funds and proprietary funds, which are due within one year, appear as due to/due from other funds on the Governmental Fund Balance Sheet. They also appear on the Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance as well as the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. These amounts, except for amounts from Fiduciary Funds, are eliminated from the government wide columns of the Statement of Net Position.

Interfund receivables and payables represent amounts involving both reciprocal interfund activity and interfund reimbursements for repayment of expenditures or expenses to the fund that initially paid for them. Any unpaid balance at the end of the fiscal year is reported as an interfund receivable and/or payable. Any outstanding balances between funds results mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. There were no

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 3. Receivables – cont'd

outstanding interfund receivables or payables as of June 30, 2022.

Receivables at June 30, 2022, all due within one year, for the District's Governmental and Proprietary funds, in detail, are as follows:

	General Fund	Capital Projects Fund	Debt Service Fund	Nonmajor Funds	Total Governmental Funds
Receivables:					
Due from other governments					
Local - current year property tax	\$ 178,414	-	\$ 140,863	\$ 25,473	\$ 344,749
Local - succeeding year property tax	39,513,703		31,587,514	5,643,133	76,744,350
Property taxes-delinquent	1,550,335	-	1,208,639	221,354	2,980,328
Federal	4,869,525	-	-	-	4,869,525
Interest	1,404	17	38	109	1,568
Other receivables	18,485	-	-	-	18,485
Gross Receivables:	46,131,865	17	32,937,054	5,890,068	84,959,004
Less: Allowance for uncollectible property tax	(1,050,591)	-	(859,427)	(150,043)	(2,060,060)
Net Receivables:	<u>\$45,081,274</u>	<u>\$ 17</u>	<u>\$32,077,628</u>	<u>\$5,740,025</u>	<u>\$ 82,898,943</u>

Note 4. Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance				Ending Balance
	June 30, 2021	Increases	Transfers	Adjustments **	June 30, 2022
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 14,785,589	\$ -	\$ 2,305,442	\$ (300,000)	\$ 16,791,031
Construction in progress	2,436,039	24,056,787	(24,040,437)	(900)	2,451,489
Total capital assets not being depreciated:	<u>17,221,628</u>	<u>24,056,787</u>	<u>(21,734,995)</u>	<u>(300,900)</u>	<u>19,242,520</u>
Capital assets being depreciated:					
Land Improvements	2,221,392	378,915	142,437	-	2,742,744
Buildings and Building Improvements	325,472,347	543,835	21,592,558	(18,000)	347,590,739
Furniture and Equipment	48,897,788	3,038,101	-	(676,453)	51,259,436
Total capital assets being depreciated:	<u>376,591,526</u>	<u>3,960,850</u>	<u>21,734,995</u>	<u>(694,453)</u>	<u>401,592,918</u>
Total assets	<u>393,813,154</u>	<u>28,017,637</u>	<u>-</u>	<u>(995,353)</u>	<u>420,835,439</u>
Less: Accumulated depreciation for:					
Land Improvements	(1,440,436)	(132,119)	-	-	(1,572,555)
Buildings and Building Improvements	(74,085,771)	(9,110,702)	-	-	(83,196,474)
Furniture and Equipment	(38,688,768)	(2,738,259)	-	694,453	(40,732,575)
Total accumulated depreciation :	<u>(114,214,975)</u>	<u>(11,981,081)</u>	<u>-</u>	<u>694,453</u>	<u>(125,501,604)</u>
Net Assets All Funds:	<u>\$ 279,598,179</u>	<u>\$ 16,036,556</u>	<u>\$ -</u>	<u>\$ (300,900)</u>	<u>\$ 295,333,835</u>

Depreciation expense was charged to governmental functions as follows:

	Depreciation		
	Expense:	Adjustments:	Balance:
Governmental Activities:			
Instruction	\$ 5,688,240	\$ (18,000)	\$ 5,670,240
Support services - Students and staff	571,195	-	571,195
Instructional support services	634,123	-	634,123
Administrative support services	202,980	-	202,980
Operations and maintenance of plant services	749,688	-	749,688
Transportation	1,117,600	(565,988)	551,612
Operation of Noninstructional Services	3,017,255	(110,465)	2,906,790
Total Depreciation:	<u>\$ 11,981,081</u>	<u>\$ (694,453)</u>	<u>\$11,286,629</u>

** Adjustments: Retirements/Disposals/Corrections within classification of assets.

(figures may be different due to rounding)

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 5. General Long-Term Debt

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. These bonds are required to be fully paid serially within 25 years of the date of issue, however, the District typically pays all bonds within 5 to 10 years of the date of issue.

General long-term debt of the District consists of building bonds payable and net pension liability. Debt service requirements for bonds are paid solely from the fund balance and the future revenues of the Debt Service Fund. The District primarily liquidates debt through the Debt Service Fund. The net pension liability will be liquidated in future years by the General Fund.

The following is a summary of the long-term debt transactions, with deductions, which includes premium on bonds sold for the District for the year ended June 30, 2022:

	2021	Additions	Deductions	Adjustment	2022	Due in One Year
Governmental activities						
Bonds payable	\$ 97,840,000	\$ 46,885,000	\$ (33,355,000)	\$ -	\$ 111,370,000	\$ 34,385,000
Premium on debt issuance	123,940	1,212	(59,977)	-	65,174	25,919
Total	<u>\$ 97,963,940</u>	<u>\$ 46,886,212</u>	<u>\$ (33,414,977)</u>	<u>\$ -</u>	<u>\$ 111,435,174</u>	<u>\$ 34,410,919</u>

In compliance with GASB Statement No. 62–187, the District amortizes all premiums on bonds sold. The amortization for the 2021-22 fiscal year was \$59,977, which reduces long-term interest expense.

The District issued \$46.8 million in General Obligation Combined Purpose Bonds Series 2022, in May 2022, for repayment on Lease Revenue Bond series and to further fund annual department allocations, such as instruction, technology, maintenance, transportation, fine arts, and athletics. The District also issued \$30.0 million in General Obligation Combined Purpose Bonds Series 2021, in April 2021, to finish the new Rosewood Elementary School, new Vo-Ag facility at the High School, HVAC equipment, instructional software/equipment, and new transportation equipment/buses. In April 2020, the District issued \$15.2 million in General Obligation Combined Purpose Bonds Series 2020 to finish a new elementary school, as well as, renovation projects at multiple middle schools, technology developments, copiers, instruments, instructional software/equipment, athletic department upgrades, the completion of fuel station upgrades, new work vehicles, and new transportation equipment/buses.

The District also issued \$42.5 million in General Obligation Bonds Series 2019, in April 2019, to finish renovation projects at three school site buildings, technology developments, two new Pre-K buildings, copiers, instruments, instructional software/equipment, athletic department upgrades, fuel station upgrades, new work vehicles, and new transportation equipment/buses. In April 2018, the District issued \$23.3 million in General Obligation Bonds Series 2018 to finish renovation projects at seventeen school site buildings, construct the new Kirkland facility, instructional/transportation equipment, technology upgrades, work vehicles, and purchase additional music equipment. The District also issued \$3.0 million in Building Bonds Series 2015B, in December 2015, to acquire and install equipment, and further enhance technology, and \$23.5 million in General Obligation Bonds Series 2017, in April 2017, to purchase GPS transportation equipment, computer upgrades, and equip the new elementary school.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 5. General Long-Term Debt – cont'd

Bonds sold at discounts decrease the carrying value of the bond, and bonds sold at a premium increase the carrying value. The discount or premium is then amortized as an increase or decrease, respectively, to the coupon interest payment in reporting interest expense. Interest expense on general long-term debt during the 2021-22 fiscal year totaled \$2 million. Amortization on bond premiums for the year ended June 30, 2022 decreased long-term interest expense per GASB, Statement No. 23.

The annual debt service requirements, including the payment of principal and interest outstanding are as follows:

Fiscal Year Outstanding	Principal	Interest	Total
2022-2023	\$ 34,385,000	\$ 625,288	\$ 35,010,288
2023-2024	16,095,000	277,146	16,372,146
2024-2025	25,330,000	630,221	25,960,221
2025-2026	21,530,000	469,893	21,999,893
2026-2027	14,030,000	425,577	14,455,577
Total	<u>\$111,370,000</u>	<u>\$ 2,428,123</u>	<u>\$113,798,123</u>

A brief description of the outstanding long-term debt at June 30, 2022, is set forth below:

	Amount <u>Outstanding</u>
General Obligation Bonds, Series 2018, original issue \$23,325,000 Dated 4-02-2018, interest rate of 2.78%, due in annual Installments of \$5,830,000, final payment of \$5,835,000 due 5-01-2023	\$ 5,835,000
General Obligation Bonds, Series 2019, original issue \$42,500,000 Dated 4-01-2019, interest rate of 3.00%, due in three Installments of \$8,000,000, \$17,250,000, and final payment of \$17,250,000 due 4-01-2023	17,250,000
General Obligation Bonds, Series 2020, original issue \$15,200,000 Dated 4-01-2020, interest rate of 1.75%, due in annual Installments of \$3,800,000, final payment of \$3,800,000 due 4-01-2025	11,400,000
General Obligation Bonds, Series 2021, original issue \$30,000,000 Dated 4-01-2021, interest rate of 1.00%, due in annual Installments of \$7,500,000, final payment of \$7,500,000 due 4-01-2026	30,000,000
General Obligation Bonds, Series 2022, original issue \$46,885,000 Dated 5-01-2022, interest rate of 3.50%, due in four Installments of \$4,795,000, \$14,030,000, \$14,030,000, and final payment of \$14,030,000 due 5-01-2027	46,885,000
TOTAL	<u>\$ 111,370,000</u>

Note 6. Employee Retirement System and Plan

General Information about the Pension Plan

Description of Plan - The District participates in the state-administered Oklahoma Teachers' Retirement System (OTRS), a cost sharing, multiple-employer defined benefit public employee retirement system (PERS), administered by the Board of Trustees of the Oklahoma Teachers' Retirement System (the "System"). The System provides retirement and disability benefits, annual cost-of-living adjustments, and

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 6. Employee Retirement System and Plan – cont'd

death benefits to plan members and beneficiaries. Statutory authority for the Board of Trustees is Title 70, Oklahoma Section 17-106 [70 O.S. 17-106]. These statutes may be amended only through legislative action.

The Oklahoma Teachers' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information as well as actuarial reports at www.ok.gov/TRS. That report may also be obtained by writing to the Oklahoma Teachers' Retirement System, P.O. Box 53524, Oklahoma City, OK 73152, or by calling 405-521-2387.

Benefits Provided - OTRS provides retirement, disability, and death benefits. Retirement benefits are determined as 2.0 percent of final average salary times the employee's years of service. Combination 80 clients (joined prior to 7/1/92) use their highest three salaries in the average salary calculation. Combination 90 and Combination 90/Minimum Age 60 clients use their highest consecutive five salaries in the average salary calculation. Employees who joined the system prior to November 1, 2017 are fully vested after 5 years of contributory Oklahoma membership service. Those who join on or after November 1, 2017 are fully vested after 7 years of contributory Oklahoma membership service and may choose to take an early, reduced retirement benefit, or stay to qualify for a regular, unreduced retirement benefit.

Employees are eligible for service-related disability when they have at least 10 years of Oklahoma Contributory Service. The same rules apply to nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The retirement plan provides a lifetime benefit to client in addition to a \$5,000 death benefit paid to the surviving beneficiary(ies).

Employees Covered - At June 30, 2022, the following employees were covered by the benefit terms for each Plan:

	Governmental Funds
Inactive employees or beneficiaries currently receiving benefits	35
Active employees participating in the plan	2124
Total	<u>2159</u>

Contributions - Per Article 17 of the state of Oklahoma statutes, contribution requirement of the active employees and the District are established and may be amended by the OTRS Board. Employees are required to contribute 7.0% of their annual pay. The District's contractually required contribution rate for the year ended June 30, 2022, was 9.5% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's total contribution to OTRS in 2022 was \$8.8 million.

The state contributes on behalf of each teacher meeting minimum salary requirements (known as the OTRS year of service credit). The state is also required to contribute to the Oklahoma Teachers' Retirement System on behalf of the participating employers. For 2022, the state of Oklahoma contributed 5 percent of state revenues from sales and use taxes and individual income taxes to OTRS on behalf of participating employers. The District has estimated the amounts contributed to OTRS by the state on its behalf

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 6. Employee Retirement System and Plan – cont'd

based on a contribution rate provided to the District. For the year ended June 30, 2022, the total amount contributed to OTRS by the state of Oklahoma on behalf of the District was approximately \$5.2million. In accordance with generally accepted accounting practices, the District recognized the on-behalf-of payments as revenue and expense/expenditure in the Government-Wide and Fund Financial Statements. These on-behalf payments do not meet the definition of a special funding situation.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the District reported a net pension liability of \$86.2 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to OTRS relative to total contributions of OTRS for all participating employers for the year ended June 30, 2021. Based upon this information, the District's proportion was 1.68774987 percent.

For the period ended June 30, 2022, the District recognized pension expense of \$13.0 million. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,685,379	\$ (3,206,385)
Changes of assumptions	13,413,006	(858,685)
Net difference between projected and actual investment earnings on pension plan investments	-	(44,783,816)
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
District contributions subsequent to the measurement date	8,834,953	
Total	<u>\$ 27,933,338</u>	<u>\$ (48,848,887)</u>

Deferred pension outflows totaling approximately \$8.8 million resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The net deferred pension inflows totaling approximately \$48.8 million will be recognized in pension expense using the average expected remaining life of the plan. The average expected remaining life of the plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan including retirees. The total future service years of the plan are estimated at 5.27 years at June 30, 2021 and are determined using the mortality, termination, retirement, and disability assumptions associated with the plan. Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	Amount
2022	\$ (6,571,892)
2023	(3,696,177)
2024	(5,865,123)
2025	(13,484,042)
2026	(133,267)
Total	<u>\$ (29,750,502)</u>

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 6. Employee Retirement System and Plan – cont'd

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	-	Entry Age Normal
Amortization Method	-	Level Percentage of Payroll
Amortization Period	-	Amortization over 20 years beginning July 1, 2016
Asset Valuation Method	-	Market
Inflation	2.25%	
Salary increases	-	Composed of 2.25 percent inflation, plus 0.75 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
Investment rate of return	7.00%	- net of expenses and compounded annually
Retirement Age	-	Experience-based table of rates based on age, service, and gender. Adopted by the Board in July 2020 in conjunction with the five year experience study for the period ending June 30, 2019.
Mortality	-	2020 GRS Southwest Region Teacher Mortality Table for males and females. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2020.

Mortality rates after retirement were based on the 2020 GRS Southwest Region Teacher Mortality Table for Males and Females, as appropriate, with adjustments for generational mortality improvements based on the Ultimate MP scales from the year 2020. Mortality rates for active members were based on Pub-2010 Teachers Active Employee Mortality Table, with adjustments for generational mortality improvements based on the Ultimate MP scales for the year 2010.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study, dated July 15, 2020, for the period July 1, 2014- June 30, 2019 and in conjunction with the five-year experience study for the period ending June 30, 2019.

Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic expected real rates of return for each major asset class as of the June 30, 2021 actuarial, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	43.5%	4.3%
International Equity	19.0%	5.2%
Fixed Income	22.0%	0.4%
Real Estate**	9.0%	4.3%
Alternative Assets	6.5%	6.5%
Total	100.0%	

** The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 6. Employee Retirement System and Plan – cont'd

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The single discount rate was based solely on the expected investment rate of return on pension plan investments of 4.3%. The projection of cash flows used to determine the discount rate assumed the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption - The following table provides the sensitivity of the net pension liability to changes in the discount rate as of the June 30, 2021 actuarial report. In particular, the table presents the plan's net pension liability, if it were calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the single discount rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability	\$ 140,934,904	\$ 86,224,222	\$ 40,931,208

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position and changes in net pension liability is available in the separately issued OTRS financial report.

Other Post-Employment Benefits (OPEB)

The Oklahoma Teachers' Retirement System pays between \$100 and \$105 per month, depending on the members' years of service and final average compensation, to the Employees Group Insurance Division (EGID) of the Office of Management and Enterprise Services (OMES), for each retiree who elects to obtain health insurance coverage through EGID. The District retains no obligation for this benefit and performs no administrative functions related to the health insurance coverage provided through EGID.

Note 7. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; or acts of God. The District purchases commercial insurance to cover these risks, including general and auto liability, property damage, and public officials' liability. Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District is self-insured for its workers' compensation coverage.

The District utilizes Consolidated Benefits Resources, LLC (CBR), to provide services for workers' compensation claims and administration. CBR will operate a claims management program for the prevention, investigation, processing, accounting and payment of workers' compensation claims. The District's General Fund pays for claims as they are incurred. As of June 30, 2022, CBR has reported an outstanding reserve for the District to be \$222,136. In order to mitigate the risk associated with this program, the District reserves and restricts a percentage of the fund balance. For 2021-22, this amount was \$0.5 million for general activities.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 7. Risk Management – cont'd

Commercial policies in force during the year contained the following deductibles:

Property, Fire and Extended Coverage	\$ 25,000
Flood & Earthquake	\$ 50,000
Wind/Hail	\$ 100,000
Automotive & General	\$ 1,000
School Leader Legal	\$ 25,000

Settled claims resulting from risks have not exceeded the commercial insurance coverage in any of the past three fiscal years. The District has purchased specific excess and aggregate excess workers' compensation and employers' liability insurance so the District's liability for claim loss is limited.

Note 8. Commitments and Contingencies

Encumbrance accounting is utilized to assure effective budgetary control and accountability and to facilitate effective cash planning and control. Encumbrances represent commitments related to unperformed contracts for goods or services. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 1,227,297
Building Fund - nonmajor fund	354,519
Child Nutrition Fund - nonmajor fund	87,243
Workers Comp Fund	8,618
Total	<u>\$ 1,677,677</u>

Federal Grants - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Litigation - The District is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, the District believes the resolution of these matters will not have a material adverse effect on the financial condition of the District. Should a judgment be awarded against the District, it would be levied through the District's Debt Service Fund over a three-year period pursuant to state law. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may establish a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District believes such amounts, if any, to be immaterial.

As of June 30, 2022, the District had outstanding commitments (contracts and purchase orders), of approximately \$2.4 million primarily for supplies and equipment. Construction in progress had \$2.4 million in outstanding projects not completed. These projects consist of planning an event center, classroom additions, renovations to four school buildings, flooring upgrades, and the final stages of construction on a new stem academy high school building.

In certain circumstances and occasions, the District is party to legal proceedings which arise in the normal event of operations. Any liability resulting from these accounts is not believed, by management, to have a material effect on the financial statements.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 8. Commitments and Contingencies – cont'd

Arbitrage - Rebatable arbitrage is defined by Internal Revenue Code, Section 148, as earning on investments purchased with the gross proceeds of a bond issue in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on bond issue. The rebatable arbitrage must be paid to the federal government.

State agencies and institutions of higher education responsible for investment from bond proceeds carefully monitor their investments to restrict earnings to a yield less than the bond issue, and, therefore, limit any arbitrage liability. The District estimates that rebatable arbitrage liability, if any, will be immaterial to its overall financial condition.

Note 9. Lease Revenue Bonds

Lease Revenue Bonds (lease purchase financing) is an important and popular method for the District to address immediate needs for capital acquisitions while improving the management of cash flow. Ownership of any property constructed with these Lease Revenue Bonds does not occur until the agreed lease payments have been made. The requirement for annual appropriations of Lease Revenue Bonds payments allows these bonds not to be treated as debt.

On May 1, 2011, the Tulsa County Industrial Authority issued \$72.8 million of Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2011, to provide funds required for the constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment and acquiring and improving school sites for the benefit of the Broken Arrow School District. On May 1, 2011, the District, as lessor, entered into a ground lease agreement, for certain district property, with the Tulsa County Industrial Authority. In addition, the District entered into a sublease, as lessee, with the Tulsa County Industrial Authority. The sublease calls for eight (8) annual payments starting September 1, 2012. The payments will be made out of the Capital Project Funds, pursuant to the issuance of series bonds in the amount of \$285.0 million, on December 8, 2009. In June 2012, the Tulsa County Industrial Authority issued \$67.3 million of additional Educational Facilities Lease Revenue Bonds, Series 2012, to provide for additional construction, equipment, repairs and remodeling projects for the District.

On March 1, 2016, the Tulsa County Industrial Authority issued \$65.3 million of additional Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2016, to provide additional funds required for constructing, equipping, repairing and remodeling school buildings. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

On March 1, 2019, the Tulsa County Industrial Authority issued \$77.4 million of additional Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2019, to provide additional funds required for constructing, equipping, repairing and remodeling school buildings. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

On December 1, 2021, the Tulsa County Industrial Authority issued \$75.6 million of additional Educational Facilities Lease Revenue Bonds (Broken Arrow Public School Project) Series 2021, to provide additional funds required for constructing, equipping, repairing and remodeling school buildings. Broken Arrow Public Schools will gain ownership to the capital improvements incrementally as each payment is made.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 9. Lease Revenue Bonds – cont'd

The lease revenue bond payments will be as follows:

2012 Series		2016 Series		2019 Series		2021 Series	
Fiscal Year	Payment	Fiscal Year	Payment	Fiscal Year	Payment	Fiscal Year	Payment
2022-23	\$ 31,817,250	2022-23	\$ 9,383,663	2022-23	\$ 4,208,644	2022-23	\$ 2,496,415
		2023-24	16,852,413	2023-24	4,208,644	2023-24	3,491,415
		2024-25	3,935,706	2024-25	4,208,644	2024-25	3,988,915
		2025-26	19,857,375	2025-26	995,000	2025-26	3,988,915
		2026-27	22,862,625	2026-27	995,000	2026-27	2,250,458
				2027-28	34,825,000	2027-28	995,000
				2028-29	20,895,000	2028-29	1,990,000
				2029-30	11,940,000	2029-30	1,990,000
				2030-31	2,786,000	2030-31	25,870,000
						2031-32	39,800,000
Total Obligation:	31,817,250	Total Obligation:	72,891,781	Total Obligation:	85,061,932	Total Obligation:	86,861,118
Less amounts representing interest:	(617,250)	Less amounts representing interest:	(9,566,781)	Less amounts representing interest:	(9,640,932)	Less amounts representing interest:	(11,241,118)
Lease Revenue Bonds Payable:	\$ 31,200,000	Lease Revenue Bonds Payable:	\$ 63,325,000	Lease Revenue Bonds Payable:	\$ 75,421,000	Lease Revenue Bonds Payable:	\$ 75,620,000

Note 10. Tax Abatements

Tax abatements are reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The District is subject to tax abatements granted by other governments only.

For the fiscal year ended June 30, 2022, the District is subject to tax abatements granted by the State of Oklahoma - Oklahoma Tax Commission (Tulsa County). Ad valorem exemptions are available for capital investments made by certain types of companies provided that qualified investment exceeds \$250,000 within the calendar year, and the company complies with certain payroll thresholds; qualifications are sometimes industry specific. County property taxes were reduced under the agreements entered into by the State of Oklahoma – Oklahoma Tax Commission. All information within the records of the State of Oklahoma Tax Commission is considered confidential unless public disclosure is provided for by law. The Oklahoma Tax Commission provides only those data sources which they deemed were authorized for release under state law. The Oklahoma Tax Commission declines to provide any information about the breakdown of the exemption by value or type of investment made.

The District also is subject to tax abatements granted by the City of Broken Arrow through its Retail Incentive Policy with the stated purpose of stabilizing and enhancing the city's sales tax base and to incentivize the eligible retail businesses that are included in a mixed-use development. The forms of incentive are to provide infrastructure improvements, assistance with public processes, site acquisition of property for public infrastructure, sales tax rebates on a limited basis, and participation in the State of Oklahoma's Quality Jobs Program. Incentives are based on the estimated amount of new city sales taxes generated that can be reasonably defined and determined to result from new development.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 10. Tax Abatements – cont'd

There is no Tax Incentive District (TID) in Broken Arrow City or school district. Broken Arrow Public Schools has only one Tax Increment Financing (TIF) District, which is Broken Arrow FlightSafety and Downtown Economic Development District No. One.

The following table relevant to disclosure of these programs includes the following:

Fiscal Year Ended June 30, 2022	Base Value of Assets during the Fiscal Year	Total TIF Increment Assessed Value	Amount of Abatements during the Fiscal Year
Tax Abatement Program (TIF)			
City of Broken Arrow:			
Broken Arrow FlightSafety and Downtown Economic Development District No. One	\$ 4,857,612	\$ 9,715,774	\$ 678,452
County Board of Commissioners:			
Indian Housing Authority Owned Properties	6,300	623,629	43,548
Total	\$ 4,863,912	\$ 10,339,403	\$ 722,000

25 U.S. Code § 4111 and Oklahoma Senate Bill 1706 as amended by Senate Bill 1546 - Reference for Indian Housing Authority - Cooperation & Payment in Lieu of Tax. "The Principal Chief of the tribe [acts] on behalf of the Division of Housing [of low-income housing] to enter into local cooperation agreements and in lieu of tax agreements [with the Tulsa County Board of Commissioners]." The Indian Housing Authority provides a list of all qualifying properties to the Tulsa County Assessor's Office to reflect the ad valorem exempt status no later than December 31 of each year.

Note 11. New Pronouncements

New Accounting Pronouncements Adopted in Fiscal Year 2022: A description of the new accounting pronouncements applicable to the District, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

- ✓ GASB issued Statement No. 91, *Conduit Debt Obligations*, issued May 2019. The object of Statement No. 91 is to establish a single method of reporting conduit debt obligations by issuers to eliminate diversity in practice. The requirements of this Statement are effective for periods beginning after December 15, 2020 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not have conduit debt obligations for the fiscal year ending June 30, 2022. Should management decision obligate the district to conduit debt in the future, the District will evaluate the impact and report the debt accurately according to the Statement.
- ✓ GASB issued Statement No. 92, *Omnibus 2020*, issued January 2020. The object of Statement No. 92 is to address a variety of topics to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for periods beginning after June 15, 2021 as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District has considered the requirements of this statement in the 2022 fiscal year.

**BROKEN ARROW PUBLIC SCHOOLS - NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 11. New Pronouncements – cont'd

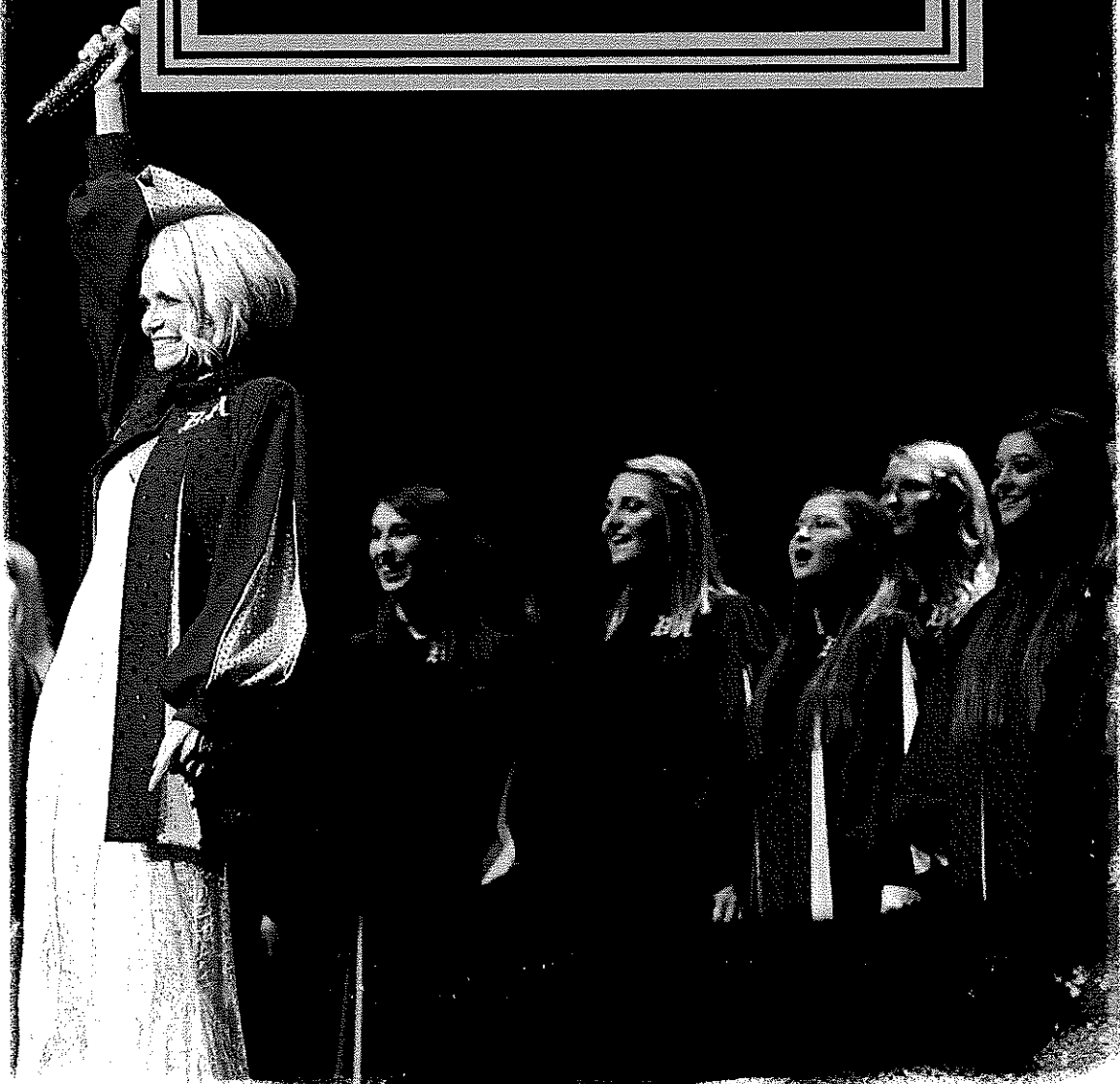
- ✓ GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020. The object of Statement No. 93 is to address accounting and financial reporting issues and implications that result from the replacement of an interbank offered rate. The requirements of this Statement are effective for periods beginning after June 15, 2020, June 15, 2021 and December 31, 2021, depending on the paragraph, as originally established, however GASB Statement No. 95 allows governments to postpone implementation for one year. The District does not currently engage in transactions applicable to this standard.
- ✓ GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020. The object of Statement No. 94 is to address issues related to public-private and public-public partnership arrangements (PPPs). The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for periods beginning after June 15, 2022. The District does not currently participate in any PPPs or APAs.
- ✓ GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020. The object of Statement No. 96 is to provide guidance for accounting and financial reporting for subscription-based information technology arrangements. The requirements of this Statement are effective for periods beginning after June 15, 2022. The District is currently evaluating the impact that these new standards may have on its financial statements.
- ✓ GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, issued June 2020. The object of Statement No. 97 is to provide guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the above Statement were effective immediately whereas the remaining requirement of this Statement are effective for periods beginning after June 15, 2021. The District currently does not participate in component units, defined contribution pension plans, or defined contribution OPEB plans. The District is currently evaluating the remaining paragraphs and the impact that these new standards may have on its financial statements.
- ✓ GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, issued October 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. The District adopted this standard for the 2022 fiscal year report.

New Accounting Pronouncements Issued Not Yet Adopted: The GASB has issued several new accounting pronouncements, which will be effective for the District in future fiscal years. Descriptions of the new accounting pronouncements are described below:

None.

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REQUIRED SUPPLEMENTARY INFORMATION





Broken Arrow Public Schools
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year Ended June 30, 2022
Last 10 Years*

	As of June 30, 2021	As of June 30, 2020	As of June 30, 2019	As of June 30, 2018	As of June 30, 2017	As of June 30, 2016	As of June 30, 2015	As of June 30, 2014
Proportion of the net pension liability	1.69%	1.71%	1.68%	1.87%	1.65%	1.66%	1.65%	1.64%
Proportionate share of the net pension liability	\$ 86,224,222	\$ 162,042,745	\$ 111,231,171	\$ 112,724,156	\$ 109,466,199	\$ 138,929,572	\$ 100,474,905	\$ 88,199,969
Covered payroll	\$ 83,743,622	\$ 82,834,160	\$ 77,390,247	\$ 67,298,802	\$ 70,027,104	\$ 71,777,099	\$ 70,566,602	\$ 67,558,937
Proportionate share of the net pension liability as percentage of covered payroll	102.96%	195.62%	143.73%	167.50%	156.32%	193.56%	142.38%	130.55%
Plan's fiduciary net position	\$ (116,592,945)	\$ (99,494,722)	\$ (103,897,040)	\$ (105,194,365)	\$ (99,873,967)	\$ (99,543,391)	\$ (112,981,726)	\$ (81,317,541)
Plan fiduciary net position as a percentage of the total pension liability	135.22%	61.40%	93.41%	93.32%	91.24%	71.65%	112.45%	92.20%

Notes to schedule:

* GASB Statement No. 68 requires ten years of information to be presented in this table. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent Auditors' Report



Broken Arrow Public Schools
Required Supplementary Information
Schedule of District's Pension Plan Contributions
Year Ended June 30, 2022
Last 10 Years*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 8,311,644	\$ 8,300,884	\$ 7,831,480	\$ 7,675,902	\$ 8,055,978	\$ 7,072,456	\$ 6,902,353	\$ 6,656,684
Contributions in relation to the actuarially determined contributions	8,311,644	8,300,884	7,831,480	7,675,902	8,055,978	7,072,456	6,902,353	6,656,684
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 81,395,696	\$ 83,743,622	\$ 82,834,160	\$ 77,390,247	\$ 67,298,802	\$ 70,027,104	\$ 71,777,099	\$ 70,566,602
Contributions as a percentage of covered payroll	10.21%	9.91%	9.45%	9.92%	11.97%	10.10%	9.62%	9.43%

Notes to schedule:

The District's statutorily required contribution rate:

Valuation date: 9.50% 6/30/2016

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll

Amortization Period Amortization over a 20-year period beginning July 1, 2016

Asset Valuation Method Market

Inflation 2.25%

Salary increases 3.75%, average, including inflation

Investment rate of return 7.00%, net of expenses and compounded annually

Payroll growth rate 2.75% per year

Mortality 2020 GRS Southwest Region Teacher Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years of data are presented in accordance with GASB Statement No. 68, Paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

See Independent Auditors' Report



Broken Arrow Public Schools
Required Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - General Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 37,570,856	\$ 37,570,857	\$ 41,400,718	\$ 3,829,861
Intermediate sources	6,184,529	6,184,529	6,961,786	777,257
State sources	79,581,528	79,581,528	80,839,428	1,257,900
Federal sources	24,917,595	24,236,298	21,984,056	(2,252,242)
Other sources	1,650,000	1,639,802	2,422,248	782,446
TOTAL REVENUES	149,904,508	149,213,014	153,608,236	4,395,222
EXPENDITURES				
Instruction	90,000,000	91,510,075	86,227,445	5,282,630
Support services				
Student	14,000,000	14,141,416	13,738,265	403,151
Instructional staff	9,000,000	6,653,690	6,518,480	135,210
Administration	18,000,000	18,824,178	18,367,539	456,639
Operation and maintenance	12,000,000	13,543,104	12,890,396	652,708
Student transportation	8,000,000	7,453,283	7,246,014	207,269
Non-instructional services				
Child nutrition operations	-	11,250	11,050	200
Community services operations	3,000,000	2,238,476	1,891,078	347,398
Other	1,000,000	624,528	441,075	183,453
TOTAL EXPENDITURES	155,000,000	155,000,000	147,331,340	7,668,660
EXCESS REVENUES (EXPENDITURES)	(5,095,492)	(5,786,987)	6,276,896	12,063,882
FUND BALANCE AT BEGINNING OF YEAR	24,297,809	24,297,809	24,297,809	-
FUND BALANCE AT END OF YEAR	\$ 19,202,317	\$ 18,510,823	\$ 30,574,705	\$ 12,063,883
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			5,067,827	
Inventory			312,596	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			\$ 35,955,128	

See Notes to the Required Supplemental Information

**BROKEN ARROW PUBLIC SCHOOLS
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1. Budgets and Budgetary Accounting

Budgetary Comparison Schedule

The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31, for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the first Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If voters reject the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for the General Fund, the Building Fund, and the Child Nutrition Fund that includes revenues and expenditures. These budgets are prepared on a cash basis for revenues and the modified accrual basis for expenditures.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders and other commitments of resources are recorded as expenditures of the applicable fund - is utilized in all Governmental Funds of the District.

Encumbrances outstanding at year-end are included in the "actual" amounts shown expended during the year for the budgetary presentation but are excluded from the fund balances in the Governmental Fund Financial Statements as they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

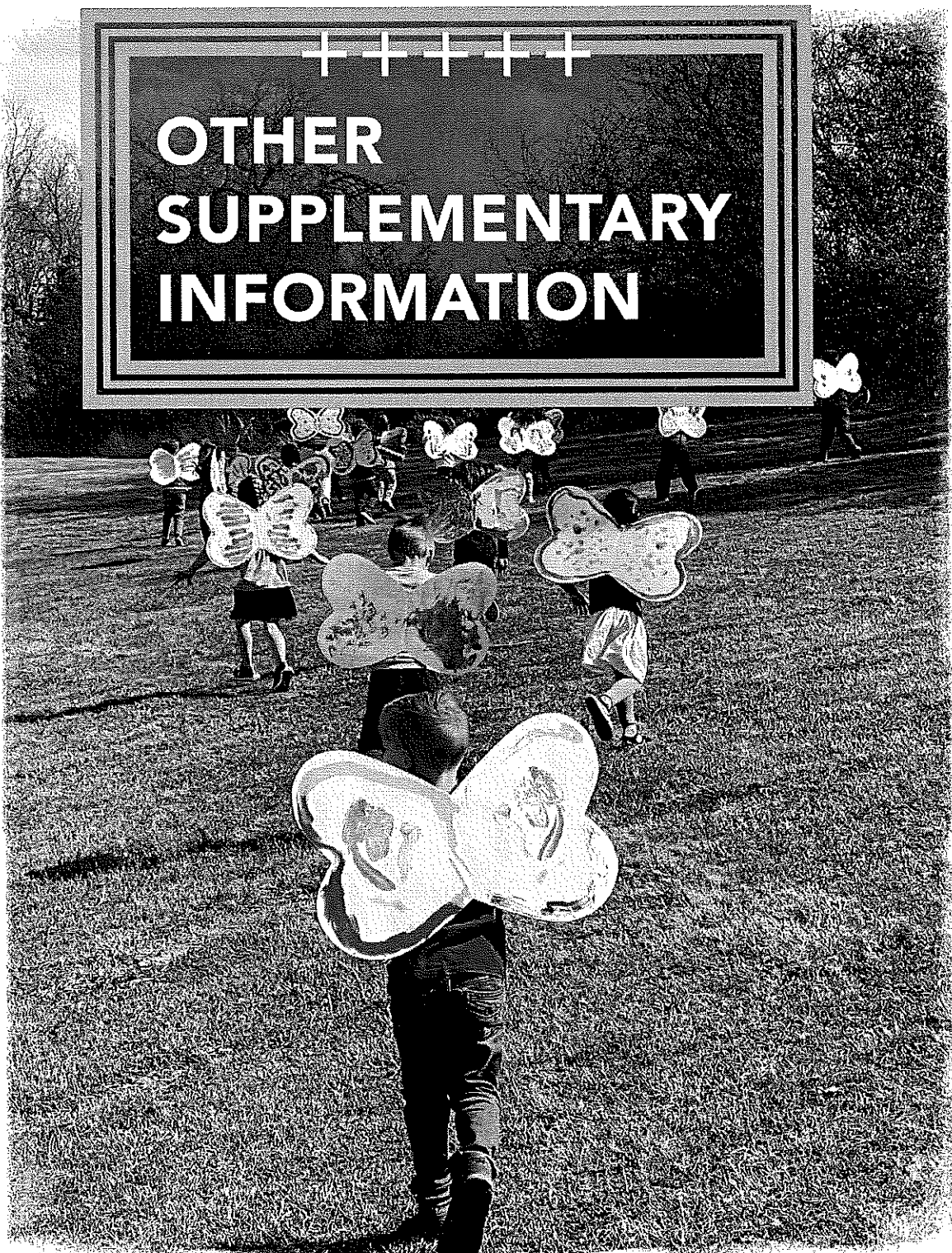
Revenues

Revenues are recorded on a cash basis and include deposits to district accounts from the first day through the last day of the fiscal year regardless of when they were actually earned.



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OTHER SUPPLEMENTARY INFORMATION





Broken Arrow Public Schools
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Permanent Fund	
	Building Fund	Child Nutrition Fund	Arbitrage Fund	Student Activity Fund	Endowment Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 520,559	\$ 1,778,795	\$ 55,261	\$ 4,561,777	\$ 44,676	\$ 6,961,069
Investments	5,939,223	4,600,000	-	-	-	10,539,223
Receivables net of allowance for uncollectibles	5,739,936	89	-	-	-	5,740,025
Inventories	-	329,275	-	-	-	329,275
TOTAL ASSETS	12,199,717	6,708,159	55,261	4,561,777	44,676	23,569,591
LIABILITIES						
Accounts payable	354,519	87,243	-	-	-	441,762
Other liabilities	-	147,525	-	-	-	147,525
TOTAL LIABILITIES	354,519	234,768	-	-	-	589,287
DEFERRED INFLOWS OF RESOURCES						
Succeeding year property tax	5,493,090	-	-	-	-	5,493,090
Unavailable revenue - delinquent property taxes	221,354	-	-	-	-	221,354
TOTAL DEFERRED INFLOWS OF RESOURCES	5,714,444	-	-	-	-	5,714,444
FUND BALANCES						
Non-spendable	-	329,275	-	-	-	329,275
Restricted	6,130,755	6,144,116	55,261	4,561,777	44,676	16,936,586
TOTAL FUND BALANCES	6,130,755	6,473,391	55,261	4,561,777	44,676	17,265,861
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,199,717	\$ 6,708,159	\$ 55,261	\$ 4,561,777	\$ 44,676	\$ 23,569,591



Broken Arrow Public Schools
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				Permanent Fund	Total Governmental Funds
	Building Fund	Child Nutrition Fund	Arbitrage Fund	Student Activity Fund	Endowment Fund	
REVENUES						
Local sources	\$ 6,231,079	\$ 1,261,780	\$ -	\$ 5,003,910	\$ 11	\$ 12,496,779
State sources	372,075	780,517	-	-	-	1,152,592
Federal sources	-	11,248,466	-	-	-	11,248,466
Other sources	323,368	613,548	-	77,007	-	1,013,924
TOTAL REVENUES	6,926,522	13,904,311	-	5,080,917	11	25,911,761
EXPENDITURES						
Current						
Instruction	-	-	-	307,767	-	307,767
Support services-student and staff	16,221	-	-	1,059,594	-	1,075,815
Administration	1,771	-	-	201,394	-	203,165
Operations and maintenance	4,416,623	-	-	2,573	-	4,419,196
Child nutrition operations	-	9,163,660	-	-	-	9,163,660
Student transportation	-	-	-	92,043	-	92,043
Other	-	53,635	-	1,273,845	-	1,327,480
Capital outlay	16,350	-	-	1,592,970	-	1,609,320
TOTAL EXPENDITURES	4,450,965	9,217,295	-	4,530,185	-	18,198,445
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,475,558	4,687,016	-	550,732	11	7,713,316
NET CHANGE IN FUND BALANCES	2,475,558	4,687,016	-	550,732	11	7,713,316
FUND BALANCE AT BEGINNING OF YEAR	3,655,197	1,786,376	55,261	4,011,046	44,665	9,552,545
FUND BALANCE AT END OF YEAR	\$ 6,130,755	\$ 6,473,391	\$ 55,261	\$ 4,561,777	\$ 44,676	\$ 17,265,861



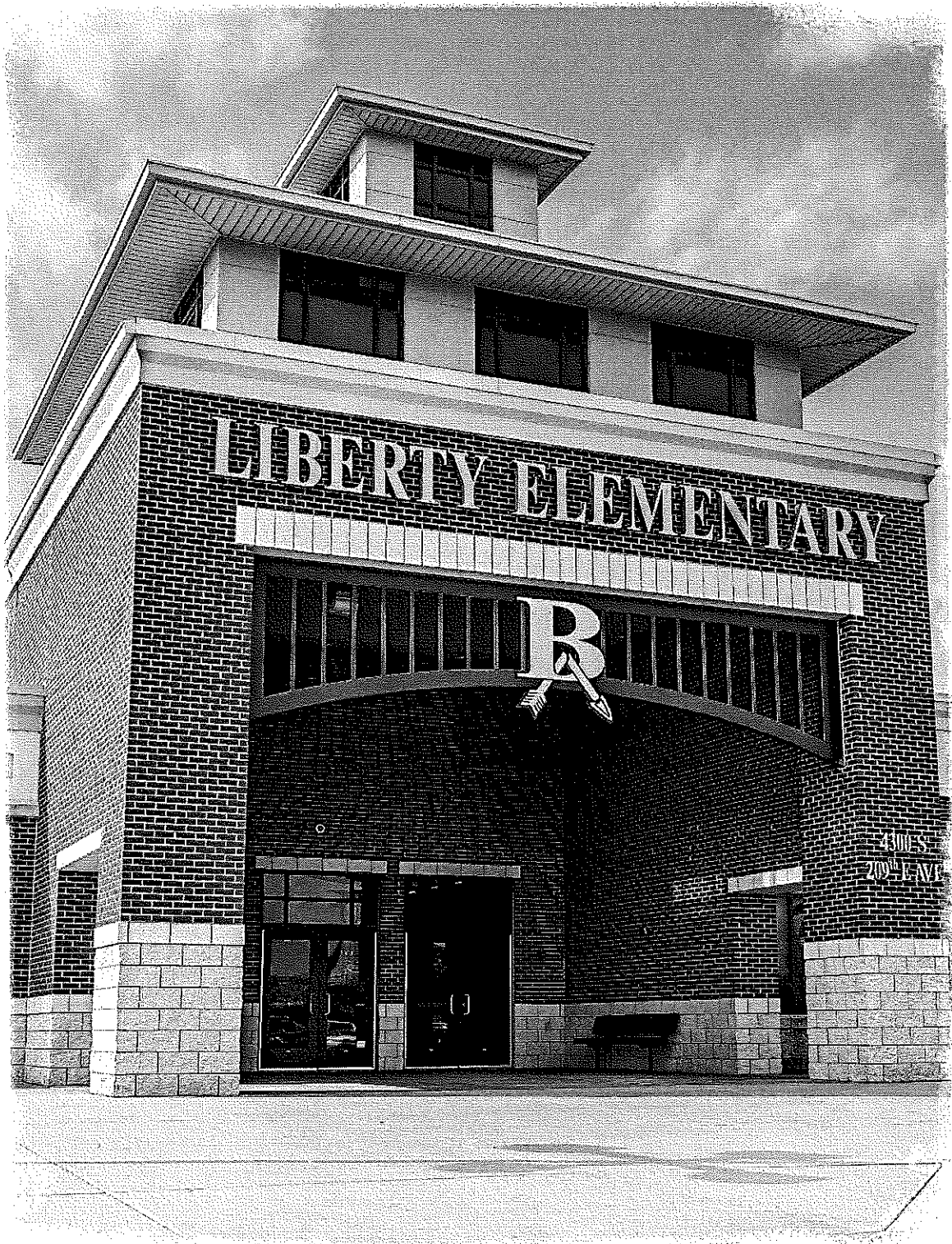
Broken Arrow Public Schools
Other Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - Building Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 5,490,000	\$ 5,493,990	\$ 6,228,465	\$ 734,475
State sources	295,000	290,700	372,075	81,375
Other sources	200,000	200,000	323,368	123,368
TOTAL REVENUES	5,985,000	5,984,690	6,923,909	939,218
EXPENDITURES				
Support services				
Instruction	28,000	28,000	-	28,000
Instructional and school leadership	16,500	16,500	16,221	279
Administrative support services	875,843	875,843	1,771	874,072
Operation and maintenance	5,243,657	5,243,657	4,416,623	827,034
Non-instructional services				
Other	500	500	-	500
Capital Outlay	335,500	335,500	16,350	319,150
TOTAL EXPENDITURES	6,500,000	6,500,000	4,450,965	2,049,035
 EXCESS REVENUES (EXPENDITURES)	 (515,000)	 (515,310)	 2,472,944	 2,988,253
 FUND BALANCE AT BEGINNING OF YEAR	 3,632,318	 3,632,318	 3,632,318	 -
 FUND BALANCE AT END OF YEAR	 <u>\$ 3,117,318</u>	 <u>\$ 3,117,009</u>	 <u>\$ 6,105,262</u>	 <u>\$ 2,988,253</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			25,492	
 FUND BALANCE AT END OF YEAR (GAAP BASIS)			 <u>\$ 6,130,755</u>	



Broken Arrow Public Schools
Other Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - Child Nutrition Fund
Year Ended June 30, 2022

	Original Budget	Final Budget	Non-GAAP Actual	Variances - Positive (Negative)
REVENUES				
Local sources	\$ 656,000	\$ 656,141	\$ 1,209,859	\$ 553,718
State sources	802,500	802,929	780,517	(22,412)
Federal sources	6,000,000	6,001,056	11,248,466	5,247,410
Other sources	63,500	61,952	613,548	551,596
TOTAL REVENUES	7,522,000	7,522,078	13,852,390	6,330,312
EXPENDITURES				
Support services				
Food preparation	4,631,500	4,678,002	4,147,471	530,530
Other direct services	900,000	1,675,575	1,223,936	451,639
Food procurement/ a la carte	2,783,500	4,532,516	3,732,071	800,445
Other CN Programs	185,000	113,908	113,817	91
TOTAL EXPENDITURES	8,500,000	11,000,000	9,217,295	1,782,705
 EXCESS REVENUES (EXPENDITURES)	 (978,000)	 (3,477,922)	 4,635,095	 8,113,017
 FUND BALANCE AT BEGINNING OF YEAR	 1,656,458	 1,656,458	 1,656,458	 -
 FUND BALANCE AT END OF YEAR	 \$ 678,458	 \$ (1,821,465)	 6,291,552	 \$ 8,113,017
 ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			89	
Other receivables			(147,525)	
Inventory			329,275	
 FUND BALANCE AT END OF YEAR (GAAP BASIS)			 \$ 6,473,391	



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STATISTICAL INFORMATION





ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2022
STATISTICAL SECTION

TABLE OF CONTENTS

The statistical section of the Broken Arrow Public Schools' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

FINANCIAL TRENDS91

These schedules compile trend information and report how the District's financial position has changed over time.

REVENUE CAPACITY97

These schedules provide information regarding the District's major revenue sources, property taxes, and the stability/growth of revenue.

DEBT CAPACITY103

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and their ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION109

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

OPERATING INFORMATION113

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

SOURCES:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report (ACFR) for the relevant year.

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FINANCIAL TRENDS





Broken Arrow Public Schools
Government-Wide Net Position by Component
Last Ten Fiscal Years

	2013	2014	2015 ^a	2016	2017	2018	2019 ^b	2020 ^c	2021	2022
Governmental activities										
Net investment in capital assets	\$ 115,812,420	\$ 125,810,009	\$ 137,739,696	\$ 150,609,755	\$ 163,470,238	\$ 174,876,931	\$ 191,660,532	\$ 205,056,153	\$ 214,176,559	\$ 233,618,199
Restricted for:										
Debt Service	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669	15,673,831	17,332,409	20,871,817	16,429,163
Building	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872	3,947,831	3,430,580	3,655,197	6,130,755
Child Nutrition	-	-	-	-	-	-	-	-	1,469,629	6,144,116
Other Programs	-	-	40,000	43,316	43,422	43,598	43,997	44,624	4,255,344	4,964,759
Unrestricted	20,080,655	17,648,608	(89,007,984)	(99,961,854)	(86,289,408)	(85,854,617)	(88,830,116)	(71,599,917)	(89,319,041)	(71,327,411)
Total Governmental activities net position	153,736,110	161,307,688	65,445,328	68,891,152	95,858,406	107,926,453	122,496,075	154,263,849	155,109,505	195,959,582
Business-type activities										
Net investment in capital assets	719,273	1,370,958	2,511,342	2,589,356	2,781,513	2,586,182	-	-	-	-
Unrestricted	3,149,060	2,845,581	1,818,332	2,033,177	2,296,046	2,345,180	-	-	-	-
Total business-type activities net position	3,868,334	4,216,539	4,329,674	4,622,533	5,077,559	4,931,362	-	-	-	-
Government-wide										
Net investment in capital assets	116,531,693	127,180,967	140,251,037	153,199,111	166,251,751	177,463,113	191,660,532	205,056,153	214,176,559	233,618,199
Restricted for:										
Debt Service	15,080,820	15,515,172	15,657,564	16,318,127	15,825,923	15,425,669	15,673,831	17,332,409	20,871,817	16,429,163
Building	2,762,215	2,333,899	1,016,052	1,881,808	2,808,231	3,434,872	3,947,831	3,430,580	3,655,197	6,130,755
Child Nutrition	-	-	-	-	-	-	-	-	1,469,629	6,144,116
Other Programs	-	-	40,000	43,316	43,422	43,598	43,997	44,624	4,255,344	4,964,759
Unrestricted	23,229,716	20,494,188	(87,189,652)	(97,928,677)	(83,993,362)	(83,509,437)	(88,830,116)	(71,599,917)	(89,319,041)	(71,327,411)
Total government-wide net position	\$ 157,604,444	\$ 165,524,227	\$ 69,775,002	\$ 73,513,686	\$ 100,935,965	\$ 112,857,815	\$ 122,496,075	\$ 154,263,849	\$ 155,109,505	\$ 195,959,582

Source: Statement of Net Position - audited financial reports

^a Note: The District began to report pension net position in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2015. Permanent Fund - restricted for Nonexpendable principal was corrected in the June 30, 2015 fiscal year to be included in Governmental Activities.

^b The District reclassified the Child Nutrition Fund from an Enterprise Fund to a nonmajor Governmental Fund, it is no longer shown under business-type activities.

^c The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Custodial Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Basic Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Government-Wide Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
Continued on Next Page

	2013	2014	2015	2016 ^a	2017	2018	2019 ^b	2020 ^c	2021	2022
Expenses										
Governmental activities										
Instruction	\$ 58,117,540	\$ 65,495,842	\$ 65,330,950	\$ 75,087,668	\$ 62,518,919	\$ 72,327,553	\$ 90,646,294	\$ 75,304,012	\$ 99,694,569	\$ 85,058,579
Support services - students	7,951,821	8,390,280	8,662,516	9,855,840	9,475,049	11,852,416	10,552,243	11,505,508	12,651,434	14,412,923
Instructional and school leadership	5,906,085	5,619,036	5,894,528	6,594,731	6,034,706	6,393,335	6,959,813	6,784,522	7,032,853	6,910,959
Administrative support services	12,608,451	12,040,169	19,254,851	17,069,178	10,474,526	16,039,368	16,185,343	16,461,574	17,519,050	18,573,107
Operations and maintenance services	10,225,839	12,428,523	14,381,484	10,855,305	12,474,582	14,462,651	14,263,568	14,891,541	16,217,967	17,124,130
Student transportation services	5,438,306	5,774,785	5,610,686	6,464,193	6,178,821	5,814,517	6,559,954	6,800,173	6,166,281	7,101,466
Operation of non-instructional services	656,673	631,639	1,512,250	1,604,731	1,136,458	1,054,692	1,194,839	7,424,673	3,722,116	3,006,193
Child Nutrition	-	1,952,800	-	-	-	-	9,170,694	8,173,767	8,525,733	9,084,712
Other outlays and uses	688,638	1,827,511	973,423	1,002,869	2,842,198	1,171,003	1,606,648	378,249	1,843,097	2,012,922
Loss on disposal of assets	4,502,515	2,532,717	-	-	-	-	-	-	-	-
Judgement Paid	-	-	-	-	-	22,331	1,837	-	-	-
Depreciation	3,195,337	4,904,420	5,048,754	7,605,398	8,921,607	11,136,470	9,508,343	11,814,622	11,208,089	11,981,081
Interest on long-term debt	1,703,318	1,726,882	1,286,326	1,189,964	1,003,215	1,143,994	1,679,107	2,923,746	2,273,705	1,968,970
Total governmental-type activities expense	110,994,523	123,324,604	127,955,768	137,329,878	121,060,080	141,418,330	168,328,683	162,462,385	186,854,894	177,235,043
Business-type activities										
Food service	7,390,973	7,675,095	9,916,922	8,892,758	8,807,997	9,357,479	-	-	-	-
Total business-type activities expense	7,390,973	7,675,095	9,916,922	8,892,758	8,807,997	9,357,479	-	-	-	-
Total district expenses	118,385,496	130,999,699	137,872,690	146,222,636	129,868,077	150,775,809	168,328,683	162,462,385	186,854,894	177,235,043
Program Revenues										
Governmental activities										
Charges for services										
Regular instruction	333,432	321,387	316,066	320,928	410,372	450,376	305,658	34,949	485,387	631,281
Operations and maintenance services	25,946	24,410	-	-	-	-	450,993	881,912	1,961,629	2,896,527
Pupil transportation services	-	8,225	-	-	-	-	125,143	-	-	-
Community services	-	-	-	-	-	-	-	-	-	-
Other support services	-	273,365	31,410	35,530	27,110	18,162	3,478,527	4,520,469	-	-
Operating grants and contributions	5,918,539	5,926,899	6,380,736	6,194,363	6,681,660	6,967,980	13,510,487	12,300,088	22,288,924	36,399,531
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	6,277,917	6,554,286	6,728,212	6,550,821	7,119,142	7,436,518	17,870,809	17,737,418	24,735,940	39,927,339
Business-type activities										
Charges for services										
Food service	3,494,344	3,816,946	3,741,850	4,024,001	3,821,960	3,795,513	-	-	-	-
Operating grants and contributions	3,596,662	3,762,302	3,921,853	4,390,841	4,581,035	4,502,001	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities revenues	7,091,006	7,579,249	7,663,703	8,414,842	8,402,994	8,297,514	-	-	-	-
Total district program revenues	\$ 13,368,923	\$ 14,133,535	\$ 14,391,915	\$ 14,965,663	\$ 15,522,136	\$ 15,734,032	\$ 17,870,809	\$ 17,737,418	\$ 24,735,940	\$ 39,927,339



Broken Arrow Public Schools
Government-Wide Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2013	2014	2015	2016 ^a	2017	2018	2019 ^b	2020 ^c	2021	2022
Net (Expense) Revenue										
Governmental activities	\$ (104,716,606)	\$ (116,770,318)	\$ (121,227,556)	\$ (130,779,056)	\$ (113,940,938)	\$ (133,981,811)	\$ (150,457,875)	\$ (144,724,968)	\$ (162,118,954)	\$ (137,307,703)
Business-type activities	(299,967)	(95,846)	(2,253,220)	(477,916)	(405,002)	(1,059,965)	-	-	-	-
Total district net expense	<u>(105,016,573)</u>	<u>(116,866,164)</u>	<u>(123,480,776)</u>	<u>(131,256,972)</u>	<u>(114,345,940)</u>	<u>(135,041,776)</u>	<u>(150,457,875)</u>	<u>(144,724,968)</u>	<u>(162,118,954)</u>	<u>(137,307,703)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes:										
Property tax, levied for general purposes	25,814,046	31,156,969	32,019,102	33,431,998	35,931,361	36,848,832	39,020,402	40,587,016	42,234,511	45,080,776
Property tax, levied for debt services	20,656,717	21,702,367	22,628,030	22,676,491	24,634,668	27,903,706	26,421,985	30,842,677	32,069,330	30,925,168
Other taxes	10,288,974	10,828,630	11,043,598	11,499,443	14,471,579	4,911,914	5,076,661	5,519,302	6,184,529	6,961,786
State aid not restricted to specific programs	53,022,412	57,167,677	66,211,831	62,958,660	61,725,150	71,449,446	77,665,415	87,195,975	75,791,964	87,245,857
Interest and investment earnings	90,436	60,895	114,489	149,464	231,258	661,763	1,279,791	926,689	227,932	202,518
Gain on sale of capital assets	16,050	114,259	139,493	32,222	695	39,057	32,110	378,249	-	28,711
Other	1,560,942	3,311,098	3,680,702	3,645,992	3,913,483	4,235,141	10,599,770	7,444,765	6,456,346	7,712,964
Total governmental activities	<u>111,449,577</u>	<u>124,341,896</u>	<u>135,837,236</u>	<u>134,394,271</u>	<u>140,908,194</u>	<u>146,049,859</u>	<u>160,096,134</u>	<u>172,894,673</u>	<u>162,964,610</u>	<u>178,157,780</u>
Business-type activities										
State aid not restricted to specific programs	528,414	410,442	716,967	722,887	839,442	798,893	-	-	-	-
Interest and investment earnings	3,331	2,654	921	2,819	5,300	14,205	-	-	-	-
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Capital contribution	-	-	1,636,418	-	-	-	-	-	-	-
Other	28,755	30,956	12,050	45,071	15,286	100,670	-	-	-	-
Total business-type activities	<u>560,500</u>	<u>444,052</u>	<u>2,366,355</u>	<u>770,776</u>	<u>860,028</u>	<u>913,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>112,010,077</u>	<u>124,785,948</u>	<u>138,203,591</u>	<u>135,165,047</u>	<u>141,768,222</u>	<u>146,963,627</u>	<u>160,096,134</u>	<u>172,894,673</u>	<u>162,964,610</u>	<u>178,157,780</u>
Changes in Net Position										
Governmental activities	6,732,971	7,571,578	14,609,680	3,615,214	26,967,256	12,068,047	9,638,259	28,169,705	845,656	40,850,077
Business-type activities	260,533	348,206	113,135	292,860	455,026	(146,197)	-	-	-	-
Total district	<u>\$ 6,993,503</u>	<u>\$ 7,919,783</u>	<u>\$ 14,722,816</u>	<u>\$ 3,908,074</u>	<u>\$ 27,422,283</u>	<u>\$ 11,921,850</u>	<u>\$ 9,638,259</u>	<u>\$ 28,169,705</u>	<u>\$ 845,656</u>	<u>\$ 40,850,077</u>

^a The District began to report net pension liability in conformity with GASB Statement No. 68, Accounting and Financial Reporting for Pensions in 2016.

^b In 2018-19 Business-type activities were reclassified to be part of Governmental activities.

^c The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Custodial Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Basic Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Fund Balances of Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019 ^a	2020 ^b	2021	2022
General Fund										
Unreserved										
Nonspendable										
Inventories										
Restricted										
Federal and state allocation carryover										
Assigned										
Unassigned										
Total general fund										
All Other Governmental Funds										
Nonspendable										
Inventories										
Permanent fund principal										
Restricted										
Capital projects										
Debt service										
Building										
Child Nutrition										
Endowment										
Arbitrage										
Student Activities										
Co-op Fund										
Total all other governmental funds										

^a Beginning in 2018-19, the District changed the classification of the Child Nutrition Fund and the Building Fund to nonmajor Governmental Funds.

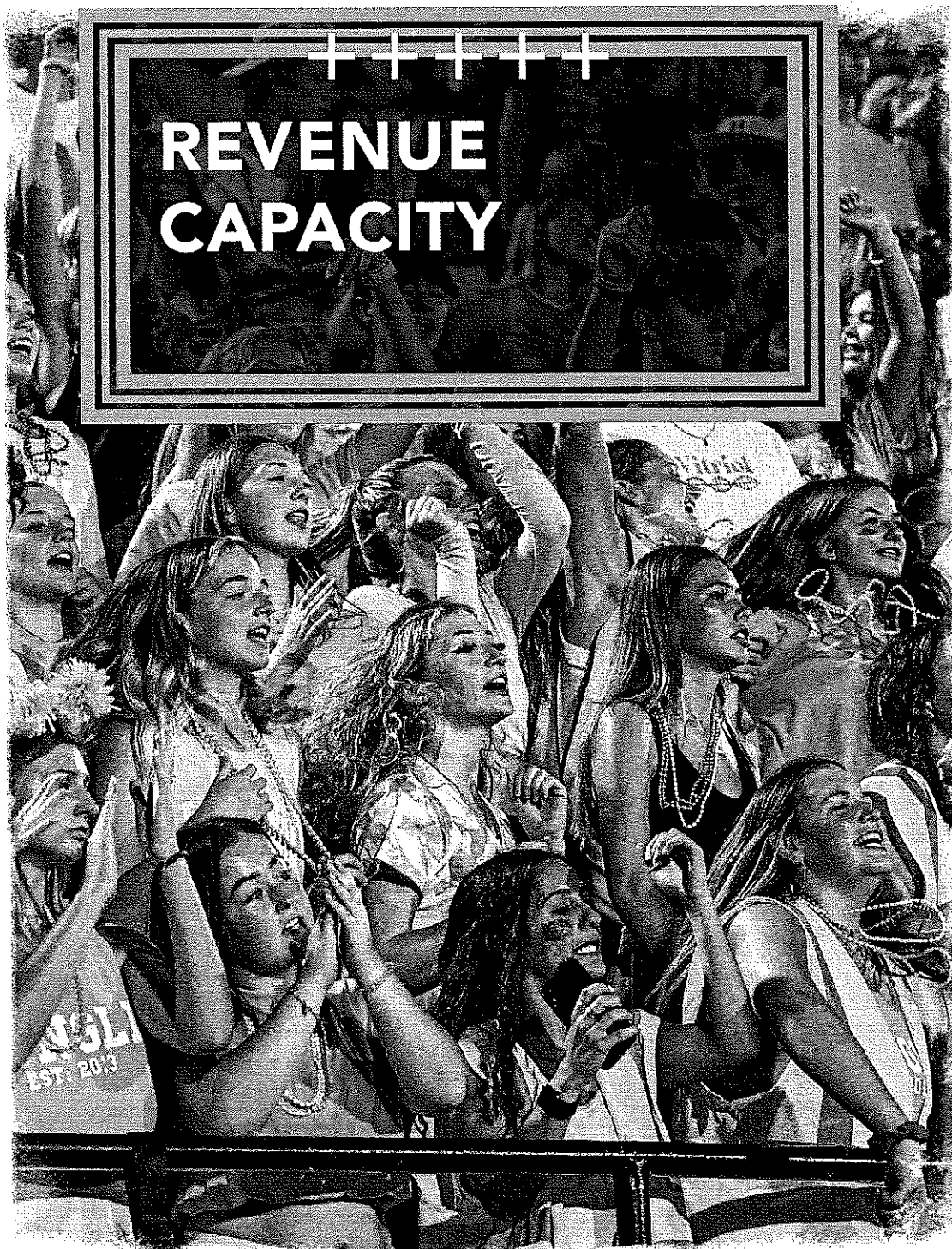
^b The District adopted GASB Statement No. 84 in 2019-20, which reclassified the Custodial Funds from a Fiduciary Fund to a nonmajor Governmental Fund. See Note 11 in the Notes to the Basic Financial Statements for further information regarding the implementation of GASB Statement No. 84.



Broken Arrow Public Schools
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Local sources	\$ 53,024,547	\$ 54,093,898	\$ 57,876,782	\$ 57,646,172	\$ 61,677,116	\$ 65,182,356	\$ 74,150,167	\$ 82,331,536	\$ 80,517,561	\$ 86,328,582
Intermediate sources	4,220,581	4,163,544	4,365,060	4,573,947	4,761,319	4,911,914	5,076,661	5,519,302	6,184,529	6,961,786
State sources	59,090,805	63,919,714	68,040,801	69,884,157	66,180,379	66,457,459	77,665,415	80,949,160	75,791,964	81,992,053
Federal sources	5,918,539	6,076,809	6,172,973	5,926,438	6,200,370	6,481,122	13,112,015	11,674,296	21,707,256	35,668,397
Other sources	485,031	2,116,807	219,210	2,287,169	2,428,275	2,954,130	2,734,308	2,947,362	3,327,524	1,769,526
Total Revenue	122,739,503	130,370,771	136,674,826	140,317,882	141,247,459	145,986,981	172,738,565	183,421,656	187,528,834	212,720,344
Expenditures										
Current										
Instruction	60,804,635	64,929,255	67,331,278	69,260,186	67,216,520	66,229,327	77,651,930	80,777,119	83,177,119	88,236,254
Student	8,341,730	8,564,110	9,256,082	9,160,746	9,102,254	9,600,133	11,170,317	11,520,173	12,651,434	14,792,297
Instructional staff	6,000,678	6,060,517	7,149,975	7,054,784	6,651,380	6,597,870	8,384,970	7,288,534	7,891,155	7,786,198
Administration	13,371,104	15,053,772	15,959,607	16,085,306	15,472,790	14,866,078	17,182,660	17,015,013	17,666,678	19,097,442
Operations and maintenance	14,848,672	21,025,001	15,513,467	18,298,238	14,587,040	15,072,223	16,190,616	16,520,629	16,953,807	18,710,788
Student transportation	6,600,049	6,140,707	6,846,658	7,134,523	6,479,865	6,177,370	7,393,010	7,699,748	7,087,708	8,304,158
Non-instruction expenditures										
Child Nutrition operations	-	-	-	-	-	42,453	9,270,820	8,470,482	7,484,695	9,174,710
Community service operations	712,139	631,639	982,404	985,006	1,103,343	1,001,928	1,164,549	4,158,390	2,202,033	3,164,923
Other	49,881	562,330	835,544	644,169	910,491	613,845	766,701	692,905	2,473,420	2,087,680
Capital outlay	10,867,181	20,712,239	24,794,259	23,043,842	15,169,844	16,313,803	15,798,741	36,831,530	9,354,797	23,894,350
Debt service										
Principal	20,875,000	20,225,000	23,021,882	21,675,000	23,665,000	24,370,000	25,745,000	26,205,000	25,540,000	33,355,000
Interest	1,700,488	1,827,511	1,732,960	1,842,961	2,118,963	2,159,275	2,284,128	2,991,878	2,458,178	1,973,590
Other	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 144,171,559	\$ 165,732,081	\$ 173,424,117	\$ 175,184,760	\$ 162,477,491	\$ 163,044,305	\$ 193,003,442	\$ 220,171,401	\$ 194,941,425	\$ 230,577,390
Excess (deficiency) of revenues over (under) expenditures	(21,432,056)	(35,361,310)	(36,748,291)	(34,866,878)	(21,230,031)	(17,057,324)	(20,264,877)	(36,749,744)	(7,412,591)	(17,857,046)
Other financing sources (uses)										
Issuance of debt	\$ 18,000,000	\$ 21,613,300	\$ 34,551,700	\$ 23,925,000	\$ 23,500,000	\$ 23,325,000	\$ 42,500,000	\$ 15,200,000	\$ 30,000,000	\$ 46,885,000
Capital Leases	(486,652)	3,500,000	-	-	-	-	-	-	-	-
Premium on new issuance of debt	727,155	752,823	1,307,103	1,390,707	541,969	24,482	296,870	4,408	58,650	1,212
Proceeds on disposal of capital assets	-	114,259	139,493	32,222	695	39,057	1,811	378,249	-	-
Transfers in	-	140,000	-	-	-	-	-	-	-	-
Transfers out	-	(140,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	18,240,503	25,980,382	35,998,297	25,347,929	24,042,664	23,388,539	42,798,682	15,582,657	30,058,650	46,886,212
Net changes in fund balances	\$ (3,191,553)	\$ (9,380,928)	\$ (750,994)	\$ (9,518,949)	\$ 2,812,632	\$ 6,331,214	\$ 22,533,804	\$ (21,167,088)	\$ 22,646,059	\$ 29,029,166
Debt service as a percentage of noncapital expenditures ^a	17.68%	16.16%	17.19%	16.18%	17.91%	18.41%	16.16%	16.28%	15.36%	17.38%

^a Noncapital expenditures debt service percentage calculations are total expenditures less capital outlays reported on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.





Broken Arrow Public Schools
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property Assessed Value ^a	Personal Property Net Assessed Value ^a	Public Service		Total Net Assessed Value	Total Estimated Actual Value ^c	Ratio of Net Assessed Value to Total Estimated Actual Value		Total Direct Tax Rate ^d
			Property Assessed Value ^b	Value ^b			Total Estimated Actual Value	Total Estimated Actual Value	
2013	615,160,586	67,790,732	38,357,583		721,308,901	6,602,257,029	10.93%		70.22
2014	634,215,020	80,940,052	36,992,320		752,147,392	6,891,879,682	10.91%		70.51
2015	658,515,724	77,554,379	32,953,314		769,023,417	7,069,347,080	10.88%		71.10
2016	691,169,953	82,030,524	26,793,531		799,994,008	7,383,360,050	10.84%		69.73
2017	728,256,008	77,967,565	33,712,941		839,936,514	7,718,321,096	10.88%		71.00
2018	799,481,750	54,063,523	35,826,575		889,371,848	8,160,962,344	10.90%		71.24
2019	845,459,879	63,809,309	36,588,071		945,857,259	8,673,867,904	10.90%		71.34
2020	874,410,554	71,998,701	39,123,068		985,532,323	9,027,278,482	10.92%		73.17
2021	929,017,748	80,474,397	42,758,939		1,052,251,084	9,621,426,481	10.94%		71.95
2022	967,513,142	103,959,296	45,701,543		1,117,173,981	10,207,358,171	10.94%		69.83

^a Assessed value is defined as the taxable value of real personal property and is subject to an assessment rate set by the County Assessor to calculate the amount of tax liability.

^b Public service property is centrally assessed by the Oklahoma State Board of Equalization. The assessment rates on public service property, airlines and railroads are included in this category.

^c Estimated actual value is used in computing the gross assessed value for tax purposes. The Oklahoma Constitution provides that this value will not exceed a 5% increase over the previous year unless improvements were made to the property or if title to the property is transferred, changed, or conveyed to another person.

^d Components of total direct tax rate are found on the Direct and Overlapping Property Tax Rate table.

Source: Tulsa & Wagoner County Assessors



Broken Arrow Public Schools
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Direct Rates Broken Arrow School District				Rates for Taxpayers in the City of Broken Arrow Overlapping Rates				Total Direct & Overlapping Rates
	General	Building	Sinking	Total Direct Rates	Tulsa County	Tulsa Community College	Tulsa Vo-Tech	City of Broken Arrow	
2013	36.40	5.20	28.62	70.22	22.24	7.21	13.33	16.50	129.50
2014	36.40	5.20	28.91	70.51	22.23	7.21	13.33	17.32	130.60
2015	36.40	5.20	29.50	71.10	22.23	7.21	13.33	17.14	131.01
2016	36.40	5.20	28.13	69.73	22.22	7.21	13.33	17.10	129.59
2017	36.40	5.20	29.40	71.00	22.24	7.21	13.33	16.92	130.70
2018	36.40	5.20	29.64	71.24	22.24	7.21	13.33	16.84	130.86
2019	36.40	5.20	29.74	71.34	22.74	7.21	13.33	15.61	130.23
2020	36.40	5.20	31.57	73.17	22.66	7.21	13.33	15.66	132.03
2021	36.40	5.20	30.35	71.95	23.25	7.21	13.33	16.19	131.93
2022	36.40	5.20	28.23	69.83	23.26	7.21	13.33	16.05	129.68
								Ten-Year Average	\$ 182.32

Note: A mill is the equivalent of \$1 per \$1,000 of net assessed value. The District's millage rate levy is pursuant to provisions of the Constitution of the State of Oklahoma contained in Article X. The County Excise Board certifies the Estimate of Needs submitted by the District annually and computes the rate of mill levy necessary for General Fund, Building Fund, and Sinking Fund purposes.

Source: Notice of Sale and Official Statement prepared by Stephen L. Smith Corporation and Tulsa and Wagoner County Assessors



**Broken Arrow Public Schools
Principal Property Taxpayers
Current Year and Nine Years Ago**

Taxpayer	2022			2013		
	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^a	Rank	Net Assessed Valuation	Percentage of District's Net Assessed Valuation ^b	Rank
Public Service Company of Oklahoma	\$ 11,415,873	1.02%	1	\$ 7,887,844	1.09%	1
Greens at Broken Arrow/Battle Creek	6,266,877	0.56%	2	3,049,544	0.42%	7
Alpine/JMCR Broken Arrow LLC	6,087,246	0.54%	3	-	-	-
St. Johns Hospital	5,798,210	0.52%	4	-	-	-
Walmart Stores	5,488,408	0.49%	5	5,172,907	0.72%	3
Valor Communications of OK/Windstream	4,470,029	0.40%	6	4,237,127	0.59%	4
Oklahoma Natural Gas	3,894,587	0.35%	7	3,804,862	0.53%	5
Park at Mission Hills	3,887,970	0.35%	8	2,730,519	0.38%	9
Flight Safety	3,540,429	0.32%	9	6,552,332	0.91%	2
DLP Aspen LLC	3,293,059	0.29%	10	-	-	-
Auburndale Halifax Broken Arrow LLC	-	-	-	3,097,313	0.43%	6
Cox Communications	-	-	-	2,979,901	0.41%	8
AT&T Companies/Services	-	-	-	2,364,487	0.33%	10
Total	\$ 54,142,688	4.85%		\$ 41,876,836	5.81%	

^a Based on FY21-22 District Net Assessed Valuation of \$1,117,173,981

^b Based on FY12-13 District Net Assessed Valuation of \$721,308,901

Source: Tulsa and Wagoner County Assessors



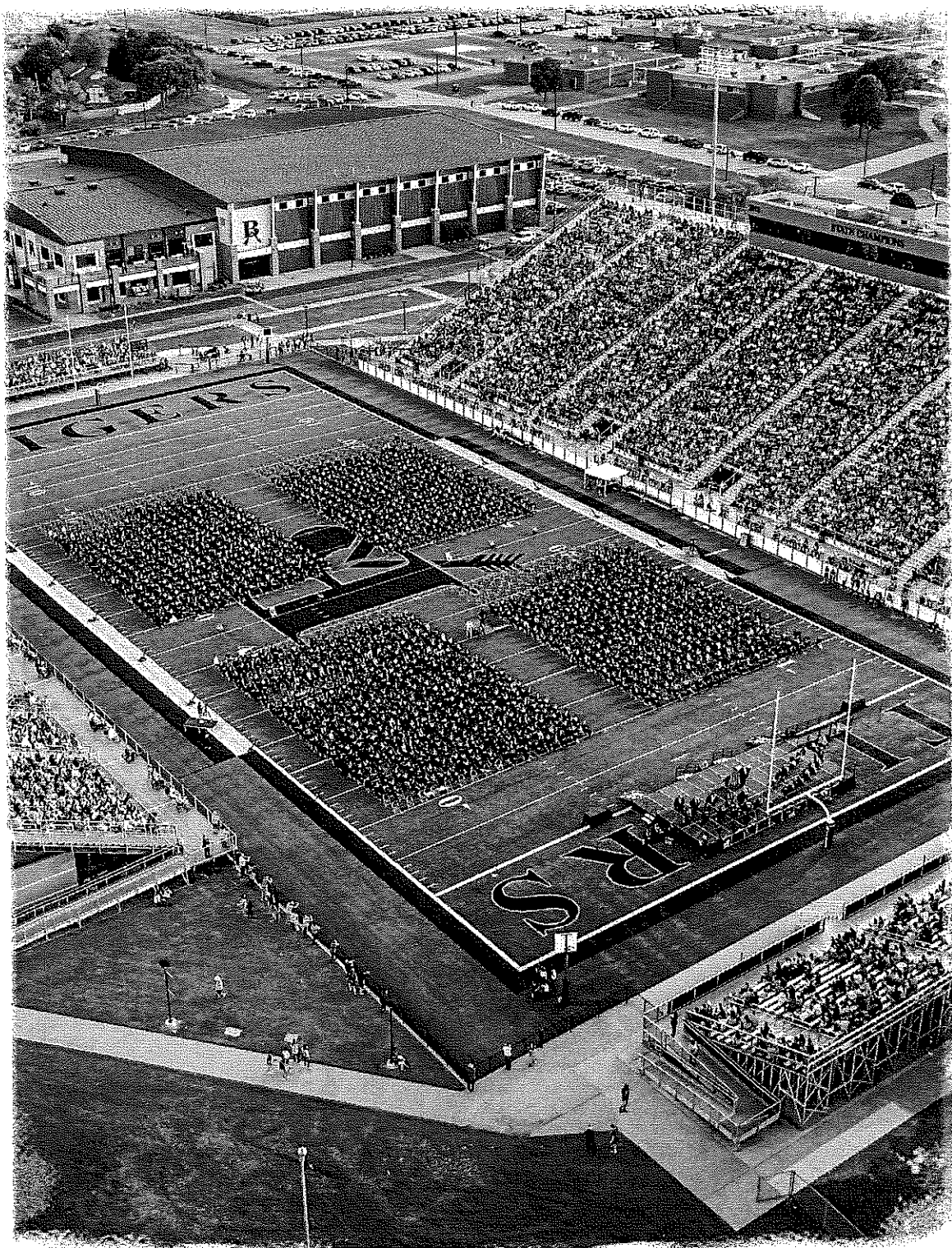
Broken Arrow Public Schools
Property Tax Levies and Collections
Last Ten Fiscal Years

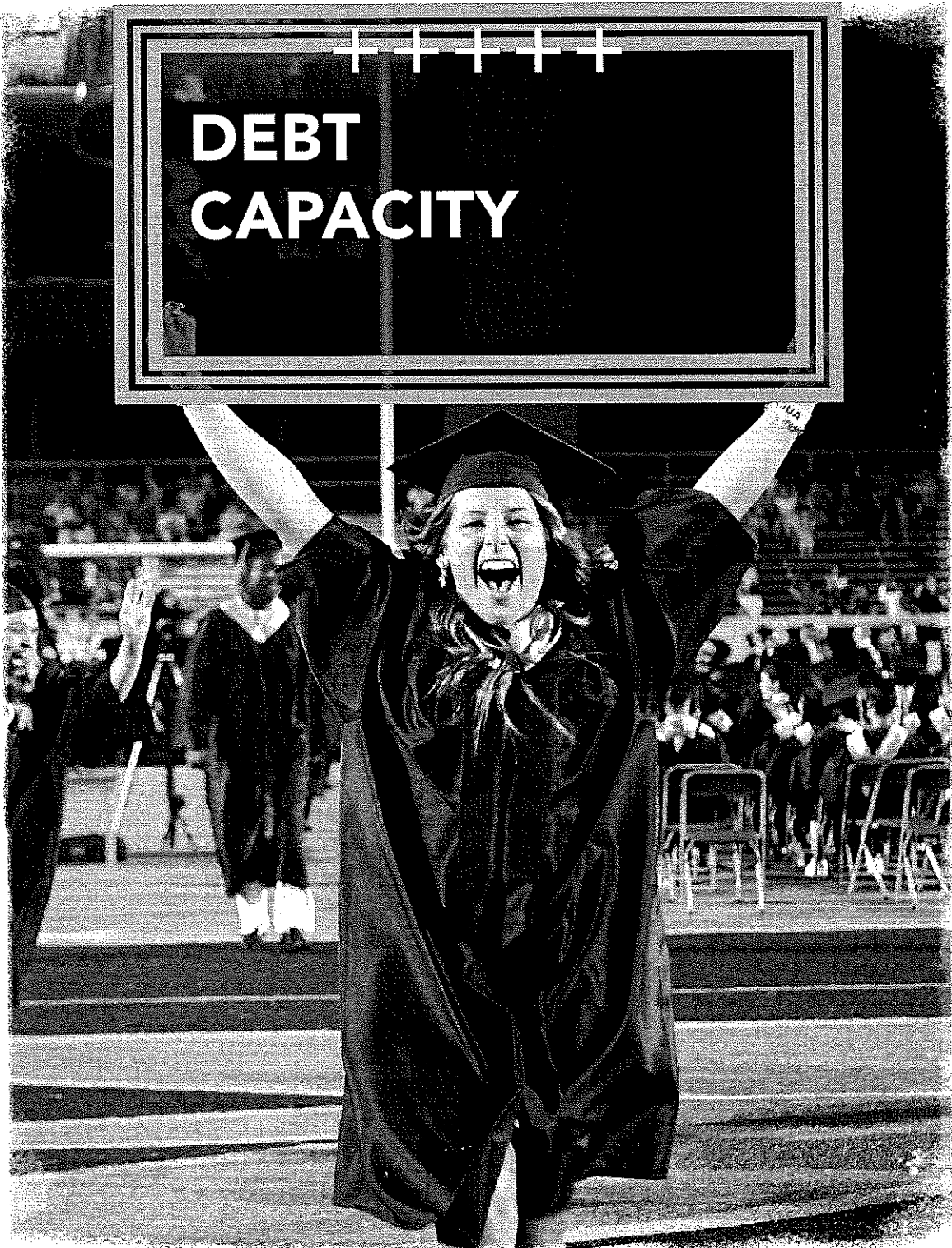
Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collected in Subsequent Years ^b	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	50,582,304	49,326,775	97.52%	998,599	50,325,374	99.49%
2014	52,957,704	51,631,605	97.50%	1,050,963	52,682,567	99.48%
2015	54,599,566	53,295,303	97.61%	971,679	54,266,983	99.39%
2016	55,704,874	54,964,159	98.67%	996,621	55,960,780	100.46%
2017	59,552,346	58,212,751	97.75%	1,260,346	59,473,097	99.87%
2018	63,275,425	61,916,217	97.85%	1,021,194	62,937,410	99.47%
2019	67,385,585	65,859,432	97.74%	1,107,972	66,967,405	99.38%
2020	72,018,661	68,808,535	95.54%	1,283,179	70,091,714	97.32%
2021	75,603,020	72,525,412	95.93%	3,027,209	75,552,622	99.93%
2022	77,900,358	74,575,281	95.73%	1,402,760	75,978,041	97.53%

^a The Tulsa County Assessor is required to file a tax roll report on or before October 1 of each year with the Tulsa County Treasurer who must begin collecting taxes by November. The first half of taxes become due and payable on or before December 31. The second half becomes due and payable on or before March 31. If the first half is not paid by December 31, the total tax becomes due and payable on January 1.

^b Ad valorem taxes not paid on or before April 1 are considered delinquent. Interest accrues on delinquent taxes at the rate of one and one-half percent monthly (18 percent annually) to a maximum of 100 percent of the taxes due until such time as the delinquent taxes are paid. If not paid by the following October 1, the property is offered for sale of the amount of taxes due.

Source: Tulsa and Wagoner County Treasurer's records.







Broken Arrow Public Schools
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Governmental Activities Capital Leases	Total District	Ratio of Outstanding Debt to		Total Personal Income	Ratio of Outstanding Debt Per Personal Income		Average Daily Membership (ADM) ^b	Ratio of Outstanding Debt Per Student ^b
	General Obligation Bonds				Total Estimated Actual Value ^a	Estimated Actual Value ^a					
2013	73,602,155		1,013,348	74,615,503	6,602,257,029	1.13%	148,798,993	50.15%		17,145	4,352
2014	75,642,649		4,013,468	79,656,117	6,891,879,682	1.16%	161,187,913	49.42%		17,916	4,446
2015	88,817,178		3,124,376	91,941,554	7,069,347,080	1.30%	167,291,805	54.96%		18,372	5,004
2016	91,495,050		-	91,495,050	7,383,360,050	1.24%	173,186,712	52.83%		18,796	4,868
2017	90,693,794		-	90,693,794	7,718,321,096	1.18%	167,502,814	54.14%		18,899	4,799
2018	88,645,469		-	88,645,469	8,160,962,344	1.09%	173,817,578	51.00%		19,081	4,646
2019	105,115,172		-	105,115,172	8,673,867,904	1.21%	186,102,700	56.48%		19,070	5,512
2020	93,690,036		-	93,690,036	9,027,278,482	1.04%	191,835,000	48.84%		19,436	4,820
2021	97,963,940		-	97,963,940	9,621,426,481	1.02%	221,611,000	44.21%		18,619	5,262
2022	111,435,174		-	111,435,174	10,207,358,171	1.09%	214,670,000	51.91%		19,530	5,706

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b Per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

Sources:

District records
Oklahoma State Department of Education



Broken Arrow Public Schools
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less Sinking Fund Balance	Net General Bonded Debt Outstanding	Total Estimated Actual Value ^a	Ratio of Net Debt to		Average Daily Membership (ADM) ^b	Ratio of Net Debt Per Student ^b
					Estimated Actual Valuation ^a			
2013	72,875,000	15,080,820	57,794,180	6,602,257,029	0.88%		17,145	3,371
2014	75,642,649	15,515,172	60,127,477	6,891,879,682	0.87%		17,916	3,356
2015	88,817,178	15,657,564	73,159,614	7,069,347,080	1.03%		18,372	3,982
2016	91,495,050	16,234,350	75,260,700	7,383,360,050	1.02%		18,796	4,004
2017	90,693,794	15,717,771	74,976,023	7,718,321,096	0.97%		18,899	3,967
2018	88,645,469	15,425,669	73,219,800	8,160,962,344	0.90%		19,081	3,837
2019	105,115,172	15,673,831	89,441,341	8,673,867,904	1.03%		19,070	4,690
2020	93,960,036	17,332,409	76,627,627	9,027,278,482	0.85%		19,436	3,943
2021	97,963,940	20,871,817	77,092,123	9,621,426,481	0.80%		18,619	4,141
2022	111,435,174	16,429,163	95,006,011	10,207,358,171	0.93%		19,530	4,865

^a Estimated actual valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b Per capital calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

Sources:

District records
Oklahoma State Department of Education



Broken Arrow Public Schools
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Direct and Overlapping Debt ^b
Tulsa County	\$ 9,626,932	10.54%	\$ 1,014,678
Wagoner County	-	N/A	-
Tulsa Community College	-	N/A	-
Tulsa Vo-Tech #18	-	N/A	-
City of Broken Arrow	137,678,601	100.00%	137,678,601
City of Tulsa	336,894,276	0.68%	2,290,881
City of Coweta	-	N/A	-
Subtotal, overlapping debt			140,984,160
District direct debt^c			111,435,174
Total direct and overlapping debt			\$ 252,419,334

^a The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the District's boundaries and dividing it by the County's total taxable assessed value.

^b Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments.

^c This direct debt amount is the sum of the governmental activities debt in the Statistical Section schedule of debt ratios.

Source: Official Statement and Notice prepared by Stephen L. Smith Corporation



**Broken Arrow Public Schools
Legal Debt Margin
Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2022:

Secondary assessed valuation	\$ 1,117,173,981
Debt Limit (10% of assessed value)	111,717,398
Debt applicable to limit	111,435,174
Current sinking fund balance	(16,429,163)
Legal debt margin	<u>\$ 16,711,387</u>

Fiscal Year Ended June 30	Net Assessed Valuation ^a	Legal Debt Limit 10% of Net Assessed Valuation ^b	Outstanding District Indebtedness	Less		Total Net Debt Subject to Legal Limit	Legal Debt Margin ^c	Applicable to the Limit as a Percentage of Debt Limit
				Sinking Fund	Balance			
2013	721,308,901	72,130,890	73,888,348	15,080,820		58,807,528	13,323,362	81.53%
2014	752,147,392	75,214,739	79,656,117	15,515,172		64,140,945	11,073,794	85.28%
2015	769,023,417	76,902,342	91,941,554	15,657,564		76,283,990	618,352	99.20%
2016	799,994,008	79,999,401	91,495,050	16,235,350		75,259,700	4,739,701	94.08%
2017	839,936,514	83,993,651	90,693,794	15,717,771		74,976,023	9,017,628	89.26%
2018	889,371,848	88,937,185	88,645,469	15,425,669		73,219,800	15,717,385	82.33%
2019	945,857,259	94,585,726	105,115,172	15,673,831		89,441,341	5,144,385	94.56%
2020	985,532,323	98,553,232	93,960,036	17,332,409		76,627,627	21,925,605	77.75%
2021	1,052,251,084	105,225,108	97,693,940	20,871,817		76,822,123	28,402,985	73.01%
2022	1,117,173,981	111,717,398	111,435,174	16,429,163		95,006,011	16,711,387	85.04%

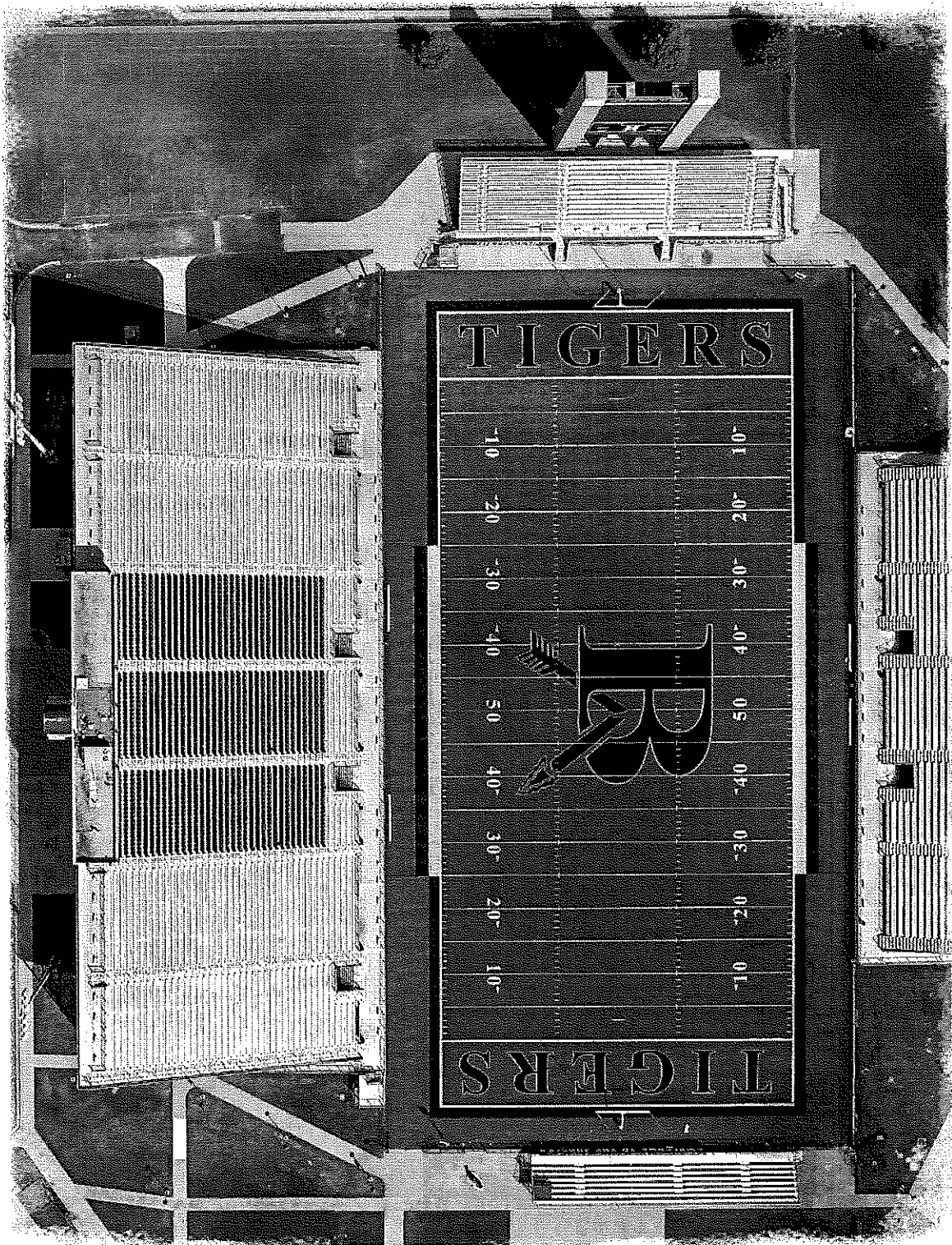
^a Net assessed valuation is taken from the table, Assessed and Estimated Actual Value of Taxable Property.

^b The general obligation indebtedness of the District is limited by Oklahoma law to 10% of the net assessed value of the taxable property in the District.

^c The legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

Sources:

District financial records
Tulsa and Wagoner County Assessors



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DEMOGRAPHIC & ECONOMIC INFORMATION





Broken Arrow Public Schools
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population ^a	Total Personal Income ^c	Real Per Capita Personal Income ^a	Unemployment Rate ^b	District Average Daily Membership Population ^d
2013	103,500	148,798,993	24,085	3.40%	17,145
2014	103,808	161,187,913	24,284	3.90%	17,916
2015	107,506	167,291,805	24,208	3.70%	18,372
2016	106,563	173,186,712	26,655	4.20%	18,796
2017	107,403	167,502,814	25,762	3.60%	19,074
2018	108,303	173,817,578	26,437	3.50%	19,081
2019	109,171	186,102,700	26,472	3.20%	19,070
2020	110,198	191,835,000	28,011	7.40%	19,436
2021	112,458	221,611,000	31,797	3.20%	18,619
2022	113,716	214,670,000	36,303	3.40%	19,530

^a US Census Bureau

^b Oklahoma Employment Security Commission

^c US Bureau of Economic Analysis

^d District records



**Broken Arrow Public Schools
Broken Arrow Area Principal Employers
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees ^a	Rank	Percentage of Total Employment ^b	Employees ^a	Rank	Percentage of Total Employment ^c
Broken Arrow Public Schools	2,327	1	2.05%	2,090	1	2.01%
Northeastern State University	800	2	0.70%	800	3	0.77%
FlightSafety International	750	3	0.66%	715	4	0.69%
City of Broken Arrow	675	4	0.59%	675	5	0.65%
Zeeco	647	5	0.57%	487	6	0.47%
Oklahoma HealthCare Services	460	6	0.40%	460	7	0.44%
AG Equipment	360	7	0.32%	-	-	-
Exterran, Inc.	350	8	0.31%	350	8	0.34%
Micahtek Inc.	350	9	0.31%	350	9	0.34%
McDaniel Technical Services	325	10	0.29%	325	10	0.31%
Walmart	-	-	-	900	2	0.87%
	7,044		6.19%	7,152		6.89%

Sources:

^a Broken Arrow Chamber of Commerce

^b Based on US Census Bureau population of 113,716

^c Based on US Census Bureau population of 103,808

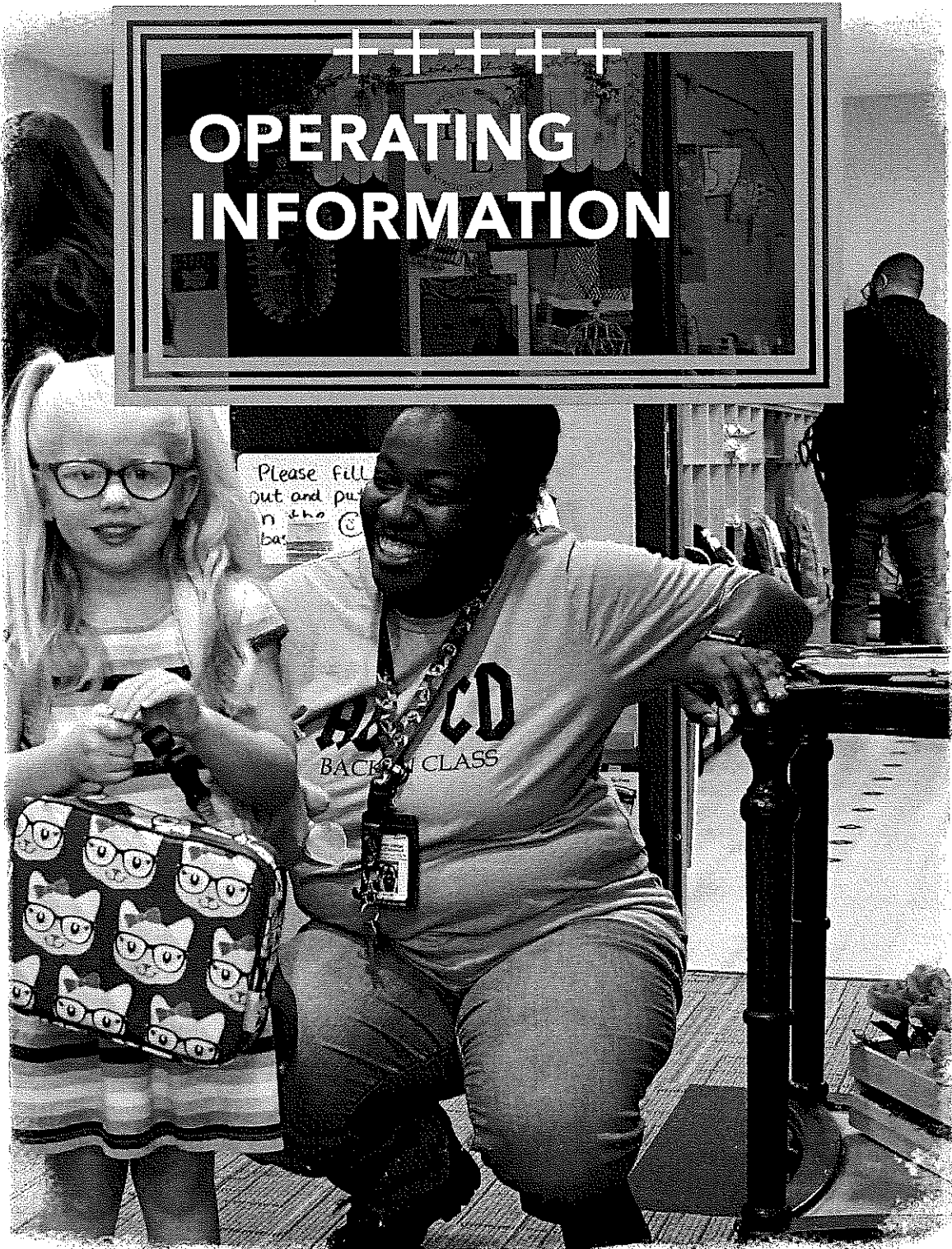


Broken Arrow Public Schools
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-Time Equivalent District Employees by Type										Percentage Change
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022
Supervisory											
Principals	25	28	28	29	27	30	35	30	31	30	20.00%
Assistant Principals	26	25	29	28	28	26	19	29	30	31	19.23%
Total supervisory	51	53	57	57	55	56	54	59	61	61	19.61%
Instruction											
Teachers	873	946	1,068	1,090	1,066	967	1,053	1,060	1,032	1,037	18.79%
Other professionals	150	149	122	113	108	140	127	123	135	134	-10.67%
Aides	95	135	239	435	506	280	289	212	258	249	162.11%
Total instruction	1,118	1,230	1,429	1,638	1,680	1,387	1,469	1,395	1,425	1,420	27.01%
Student Services											
Librarians	24	23	21	18	20	20	22	23	22	23	-4.17%
Technicians	44	67	54	23	25	31	35	23	26	26	-40.91%
Social Workers/ Counselors	76	75	39	42	42	40	42	43	43	43	-43.42%
Total student services	144	165	114	83	87	91	99	89	91	92	-36.11%
Support and Administration ^a											
Office	246	250	184	209	211	216	212	236	227	227	-7.72%
Maintenance	146	172	195	231	251	177	182	188	195	177	21.23%
Food Service	141	153	83	238	237	205	196	131	139	133	-5.67%
Transportation	175	170	159	237	205	194	172	144	142	149	-14.86%
Total support and administration	708	745	621	915	904	792	762	699	703	686	-3.11%
Total	2,021	2,193	2,221	2,693	2,726	2,326	2,384	2,242	2,280	2,259	11.78%

Source: State Department of Education and District records

^a Total Support and Administration does not include instructional support personnel or principals/assistant principals.





Broken Arrow Public Schools
Capital Assets by Function and Activity
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019 ^b	2020	2021	2022
Governmental Activities										
Instruction	\$ 185,376,462	\$ 204,322,573	\$ 226,222,682	\$ 249,359,547	\$ 265,238,327	\$ 281,097,680	\$ 296,877,119	\$ 300,207,529	\$ 301,119,277	\$ 325,971,646
Student	2,457,892	6,200,306	6,258,506	6,258,506	6,307,726	6,324,456	6,324,456	6,324,456	6,324,456	6,340,292
Instructional support	2,307,628	3,067,692	4,005,821	4,880,445	5,715,149	6,419,824	7,481,067	7,999,744	8,858,045	9,550,229
General administration	163,032	163,032	176,427	176,427	448,952	448,952	472,093	472,093	619,720	619,720
School administration	747,575	747,575	812,784	975,507	975,507	975,507	975,507	1,528,947	1,528,947	1,528,947
Business	8,891,941	9,856,374	10,649,898	10,649,898	10,649,898	10,649,898	10,649,898	10,649,898	10,649,898	10,718,697
Operations and maintenance	3,386,270	5,480,740	6,605,416	10,978,022	11,565,686	12,581,160	14,147,870	49,243,662	49,979,502	51,132,514
Transportation	4,121,614	4,333,934	5,416,963	6,280,370	6,639,624	7,987,486	8,644,321	9,543,896	10,465,323	10,954,592
Non-instructional	1,102,205	1,102,204	1,102,204	1,102,204	1,108,185	1,108,185	5,893,613	5,957,703	4,181,477	3,932,294
Other-unclassified	86,508	86,509	86,509	86,509	86,509	86,509	86,509	86,509	86,509	86,509
Total Governmental Activities	208,641,127	235,370,939	261,337,209	290,747,435	308,735,562	327,674,656	351,552,452	392,014,436	393,813,154	420,835,439
Business-Type Activities^a										
Child nutrition services	725,774	1,526,603	4,002,097	4,240,587	4,613,539	4,689,813	-	-	-	-
Total Capital Assets	\$ 209,366,901	\$ 236,897,542	\$ 265,339,307	\$ 294,988,021	\$ 313,349,100	\$ 332,364,469	\$ 351,552,452	\$ 392,014,436	\$ 393,813,154	\$ 420,835,439

^a Prior to 2011-12, Business-Type Activities are included in Governmental Activities. See Notes to the Basic Financial Statements. Beginning with 2011-12, the District changed the presentation of information to conform with GASB Statement No. 34.

^b Beginning in 2018-19, the District reclassified the Child Nutrition Fund from a Business-type activity to a Governmental activity.

Note: See Note 4 in Notes to the Basic Financial Statements for full details on capital assets.

Source: District Records



**Broken Arrow Public Schools
Employee Information
Last Ten Fiscal Years**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Certified Personnel										
Bachelor's										
Minimum Salary	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 29,525	\$ 34,904	\$ 38,521	\$ 38,821	\$ 38,821
Maximum Salary	\$ 41,560	\$ 42,123	\$ 44,222	\$ 44,822	\$ 45,422	\$ 44,822	\$ 52,905	\$ 60,969	\$ 61,269	\$ 61,269
Average Salary	\$ 35,543	\$ 35,824	\$ 35,272	\$ 35,253	\$ 35,167	\$ 35,922	\$ 39,955	\$ 43,943	\$ 44,189	\$ 43,716
Number of Teachers	824	845	856	730	833	907	860	846	861	852
Master's										
Minimum Salary	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 30,806	\$ 36,361	\$ 39,911	\$ 40,211	\$ 40,211
Maximum Salary	\$ 44,753	\$ 45,428	\$ 48,053	\$ 48,728	\$ 49,403	\$ 48,728	\$ 57,162	\$ 62,891	\$ 63,191	\$ 63,191
Average Salary	\$ 37,780	\$ 38,117	\$ 38,830	\$ 38,687	\$ 38,583	\$ 39,964	\$ 44,280	\$ 47,013	\$ 47,021	\$ 46,391
Number of Teachers	323	342	317	292	330	306	327	352	345	360
Doctoral										
Minimum Salary	\$ 32,137	\$ 32,137	\$ 32,137	\$ 35,909	\$ 33,298	\$ 32,137	\$ 37,869	\$ 41,301	\$ 41,601	\$ 41,601
Maximum Salary	\$ 47,284	\$ 47,959	\$ 42,559	\$ 42,559	\$ 43,459	\$ 59,259	\$ 58,766	\$ 65,315	\$ 65,615	\$ 53,137
Average Salary	\$ 39,711	\$ 40,048	\$ 36,844	\$ 38,500	\$ 38,674	\$ 40,651	\$ 42,492	\$ 49,262	\$ 46,561	\$ 45,090
Number of Teachers	5	6	5	6	9	9	11	11	12	12
Total Certified Personnel^a	1,152	1,193	1,178	1,028	1,172	1,222	1,198	1,209	1,218	1,224
Support Personnel										
Number of Support	781	912	942	1,582	991	1,010	1,094	1,030	1,039	1,001
Administrative Personnel										
Number of Administrators	88	88	101	83	97	94	92	102	101	102

^a Certified personnel is defined as any employee paid from the certified salary schedule who are required to have certification for their position, per the Oklahoma State Department of Education.

Source: District records



**Broken Arrow Public Schools
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Average Daily Membership (ADM) ^a	Operating Expenditures ^b	Cost per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/Teacher Ratio	Percentage of Students Receiving Free or Reduced - Price Meals ^e
2013	17,145	118,385,496	6,905	-2.94%	873	21:1	41.00%
2014	17,916	131,100,328	7,317	5.97%	946	24:1	42.00%
2015	18,372	132,538,686	7,214	-1.41%	1,068	24:1	42.00%
2016	18,796	146,222,636	7,780	7.84%	1,090	24:1	42.00%
2017	18,899	129,868,077	6,872	-11.67%	1,066	24:1	42.00%
2018	19,081	150,775,808	7,902	14.99%	967	26:1	48.00%
2019	19,070	168,328,683	8,827	11.71%	1,053	26:1	44.00%
2020	19,436	162,462,385	8,359	-5.30%	1,060	26:1	46.00%
2021	18,619	186,854,894	10,036	20.06%	1,032	24:1	35.96%
2022	19,530	177,235,043	9,075	-9.57%	1,037	24:1	35.64%

^a Final audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

^b Operating expenditures are the total expenses of the District as reported in the Government-Wide Statement of Activities.

^c Cost per pupil is calculated by dividing operating expenditures by the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

^d Teaching staff includes all certified personnel whose pay is based on the Broken Arrow Education Association's contract.

^e Percentage of free or reduced students obtained from District records maintained by the Child Nutrition Department.



Broken Arrow Public Schools
School Building Information
Last Ten Fiscal Years
Continued on Next Page

School	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Early Childhood Center										
Arrow Springs (2014) ^a										
Square Feet	-	-	28,479	28,479	28,479	28,479	28,479	28,479	28,479	28,479
Capacity	-	-	260	260	260	286	286	286	286	286
Enrollment	-	-	239	225	228	218	218	222	149	139
Aspen Creek (2013)										
Square Feet	-	28,712	28,712	28,712	28,712	28,712	28,712	28,712	28,712	28,712
Capacity	-	320	320	320	320	352	352	352	352	352
Enrollment	-	310	299	294	301	306	306	271	256	275
Creekwood (2013)										
Square Feet	-	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400	28,400
Capacity	-	320	320	320	320	352	352	352	352	352
Enrollment	-	326	339	314	307	309	309	275	312	270
Park Lane (2013) ^b										
Square Feet	-	33,280	33,280	33,280	33,280	33,280	33,280	33,280	33,280	33,280
Capacity	-	360	360	360	360	396	396	396	396	396
Enrollment	-	300	299	251	305	321	321	302	218	231
Elementary										
Arrow Springs (1981) ^a										
Square feet	38,783	28,479	28,479	28,479	28,479	28,479	28,479	28,479	28,479	28,479
Capacity	432	-	-	-	-	-	-	-	-	-
Enrollment	337	-	-	-	-	-	-	-	-	-
Arrowhead (1970)										
Square feet	68,960	68,960	68,960	68,960	68,960	68,960	68,960	68,960	68,960	68,960
Capacity	696	696	696	696	696	728	728	728	728	728
Enrollment	485	480	466	436	454	449	449	401	374	426
Aspen Creek (2013) ^c										
Square feet	-	92,539	92,539	92,539	92,539	92,539	92,539	92,539	92,539	92,539
Capacity	-	792	792	792	792	896	896	896	896	896
Enrollment	-	627	633	673	705	680	680	730	578	574
Country Lane (1993)										
Square feet	90,226	90,226	90,266	90,266	90,266	90,266	90,266	90,266	90,266	90,266
Capacity	984	984	984	984	984	1,092	1,092	1,092	1,092	1,092
Enrollment	924	818	834	828	853	764	764	725	686	680
Country Lane Int. (2007)										
Square feet	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330	97,330
Capacity	1,176	1,224	1,224	1,224	1,224	1,232	1,232	1,232	1,232	1,232
Enrollment	708	750	769	845	845	746	746	733	732	689
Creekwood (2013)										
Square feet	-	92,539	92,539	92,539	92,539	93,067	93,067	93,067	93,067	93,067
Capacity	-	792	792	792	792	952	952	952	952	952
Enrollment	-	631	672	677	677	583	583	624	554	588
Indian Springs (1974) ^e										
Square feet	42,066	42,066	42,066	42,066	42,066	21,803	21,803	21,803	21,803	21,803
Capacity	696	-	-	-	-	-	-	-	-	-
Enrollment	483	-	-	-	-	-	-	-	-	-



Broken Arrow Public Schools
School Building Information
Last Ten Fiscal Years
Continued on Next Page

School	Fiscal Year Ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Highland Park (2012)										
Square feet	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Capacity	864	864	864	864	864	1,008	1,008	1,008	1,008	1,008
Enrollment	784	788	846	853	897	797	797	853	629	677
Leisure Park (1983)										
Square feet	72,530	72,530	72,530	72,530	72,530	72,530	72,530	72,530	72,530	72,530
Capacity	768	816	816	816	816	868	868	868	868	868
Enrollment	578	545	661	669	658	648	648	658	502	515
Liberty (2004)										
Square feet	81,446	81,446	81,466	81,466	81,466	81,446	81,446	81,446	81,446	81,446
Capacity	984	1,032	1,032	1,032	1,032	1,092	1,092	1,092	1,092	1,092
Enrollment	829	739	732	749	713	684	684	632	586	622
Lynn Wood (1980)										
Square feet	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395	65,395
Capacity	744	744	744	744	744	690	690	690	690	690
Enrollment	533	507	512	504	472	471	471	436	353	377
Oak Crest (1964) ^d										
Square feet	66,462	54,020	54,020	54,020	54,020	54,020	54,020	54,020	54,020	54,020
Capacity	816	-	816	816	816	644	644	644	644	644
Enrollment	514	-	405	405	427	363	363	375	337	354
Park Lane (1978) ^b										
Square feet	46,752	33,280	33,280	33,280	33,280	33,280	33,280	33,280	33,280	33,280
Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	-	-	-	-	-
Rhoades (1958)										
Square feet	68,461	68,461	68,461	68,461	68,461	68,461	68,461	68,461	68,461	68,461
Capacity	720	720	720	720	720	728	728	728	728	728
Enrollment	508	439	445	481	489	392	392	411	392	393
Rosewood (2021)										
Square feet	-	-	-	-	-	-	-	-	81,882	81,882
Capacity	-	-	-	-	-	-	-	-	667	667
Enrollment	-	-	-	-	-	-	-	-	459	508
Spring Creek (1987)										
Square feet	68,314	68,314	68,314	68,314	68,314	68,314	68,314	68,314	68,314	68,314
Capacity	672	744	744	744	744	784	784	784	784	784
Enrollment	589	509	513	536	516	520	520	598	395	548
Timber Ridge (2017)										
Square feet	-	-	-	-	-	90,145	90,145	90,145	90,145	90,145
Capacity	-	-	-	-	-	952	952	952	952	952
Enrollment	-	-	-	-	-	566	566	666	559	584
Vandever (1974)										
Square feet	64,180	64,180	64,180	64,180	64,180	64,180	64,180	64,180	64,180	64,180
Capacity	720	768	768	768	768	728	728	728	728	728
Enrollment	483	417	445	478	454	421	421	390	368	387
Westwood (1986) ^e										
Square feet	39,448	-	-	-	-	-	-	-	-	-
Capacity	720	-	-	-	-	-	-	-	-	-
Enrollment	487	-	-	-	-	-	-	-	-	-
Wolf Creek (1991)										
Square feet	87,584	87,584	87,584	87,584	87,584	80,987	80,987	80,987	80,987	80,987
Capacity	864	864	864	864	864	924	924	924	924	924
Enrollment	414	542	540	570	545	565	565	570	518	545



Broken Arrow Public Schools
School Building Information
Last Ten Fiscal Years
Continued on Next Page

School	Fiscal Year Ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Middle										
Centennial (2003)										
Square feet	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200	142,200
Capacity	1,400	1,400	1,400	1,400	1,400	1,680	1,680	1,680	1,680	1,680
Enrollment	1,085	981	1,024	1,043	1,070	982	982	1,063	1,933	1,180
Childers (1986)										
Square feet	120,395	123,464	123,464	123,464	123,464	123,464	123,464	132,014	132,014	132,014
Capacity	1,050	1,110	1,110	1,110	1,110	1,320	1,320	1,290	1,290	1,290
Enrollment	549	729	692	770	775	763	763	764	580	779
Haskell (1958) ^d										
Square feet	120,092	120,092	-	-	-	-	-	-	-	-
Capacity	1,224	1,224	-	-	-	-	-	-	-	-
Enrollment	857	642	-	-	-	-	-	-	-	-
Oliver (1992)										
Square feet	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305	141,305
Capacity	1,150	1,150	1,150	1,150	1,150	1,380	1,380	1,380	1,380	1,380
Enrollment	734	824	823	812	790	754	754	818	603	851
Oneta Ridge (2013) ^d										
Square feet	-	132,688	132,688	132,688	132,688	132,688	132,688	132,688	132,688	132,688
Capacity	-	1,250	1,250	1,250	1,250	1,470	1,470	1,470	1,470	1,470
Enrollment	-	744	795	815	876	874	874	878	696	905
Sequoyah (1967)										
Square feet	106,336	99,696	99,696	99,696	99,696	131,621	131,621	131,621	131,621	131,621
Capacity	1,025	1,025	1,025	1,025	1,025	1,470	1,470	1,470	1,470	1,470
Enrollment	556	527	535	544	571	717	717	809	500	755
High										
Senior High (1982) ^f										
Square feet	503,562	508,417	506,417	506,417	506,417	537,524	537,524	537,524	537,524	537,524
Capacity	4,050	4,050	4,050	4,050	4,050	5,160	5,160	5,160	5,160	5,160
Enrollment	2,160	2,147	3,285	3,403	3,679	3,692	3,692	3,961	4,369	4,407
North Intermediate (1952) ^h										
Square feet	183,715	175,150	175,150	175,150	53,559	-	-	-	-	-
Capacity	1,890	1,890	-	-	-	-	-	-	-	-
Enrollment	1,242	1,275	-	-	-	-	-	-	-	-
South Intermediate (1976)										
Freshman Academy (2014) ^f										
Square feet	186,636	186,636	186,636	186,636	186,636	207,456	207,456	207,456	207,456	207,456
Capacity	2,130	2,130	2,130	2,130	2,220	2,220	2,220	2,220	2,220	2,220
Enrollment	1,077	1,122	1,261	1,249	1,291	1,344	1,344	1,121	981	1,271
Options & Virtual Academy (1954) ^d										
Square feet	16,548	16,548	120,092	120,092	120,092	120,440	120,440	120,440	120,440	120,440
Capacity	300	300	1,224	1,224	1,224	1,260	1,260	1,260	1,260	1,260
Enrollment	105	102	120	127	120	152	152	150	150	230
Vanguard Academy (2021)										
Square feet	-	-	-	-	-	-	-	-	-	61,376
Capacity	-	-	-	-	-	-	-	-	-	480
Enrollment	-	-	-	-	-	-	-	-	-	141



Broken Arrow Public Schools School Building Information Last Ten Fiscal Years

School	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fiscal Year Ending June 30										
Other										
Central on Main (1925)										
Square feet	60,807	60,807	60,807	60,807	60,807	73,574	73,574	73,574	73,574	73,574
Southside (1955)										
Square feet	-	-	-	-	-	-	-	-	-	-
Education Service Center (1973) ^a										
Square feet	-	-	-	-	-	-	-	-	-	-
Education Service Center (2009)										
Square feet	86,230	86,230	86,230	86,230	86,260	90,303	90,303	90,303	90,303	90,303
Warehouse (1974)										
Square feet	59,217	59,217	59,217	59,217	59,217	59,218	59,218	59,218	59,218	59,218
Transportation (1974)										
Square feet	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380	22,380
Maintenance (1974)										
Square feet	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488	7,488
Maintenance/Transportation (2015)										
Square feet	-	-	-	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Special Services (1974)										
Square feet	-	-	-	-	-	-	-	-	-	-
Indoor Practice Facility (2014)										
Square feet	-	-	71,624	71,624	71,624	71,624	71,624	71,624	71,624	71,624
Kirkland Activity Complex (2018) ^h										
Square feet	-	-	-	-	-	42,630	42,630	42,630	42,630	42,630

^a Arrow Springs Elementary was under construction during the 2013-14 school year as it was being transformed into an early childhood center, opening August 2014.

^b Park Lane Elementary was re-purposed to an early childhood center in 2013-14.

^c Indian Springs Elementary was vacant during the 2013-14 school year as students moved into the new Aspen Creek Elementary, opening August 2013.

^d Students from Oak Crest Elementary and Arrow Springs Early Childhood Center temporarily resided at Haskell Middle School for the 2013-14 school year only while Oak Crest was under renovation. Haskell students were moved to Oneta Ridge when it opened August 2013. The building now houses the Options & Virtual Academy students.

^e Westwood Elementary was absorbed by the High School campus as part of their athletic facility upgrade as students moved into the new Creekwood Elementary.

^f During the 2014-15 school year the sophomore class was moved to the high school campus, changing South Intermediate High School to the Freshman Academy.

^g New Education Service Center built in 2009, old Education Service Center demolished in 2011.

^h Kirkland Activity complex opened on the grounds of the former North Intermediate High School.

Notes: Enrollment is based on the annual October 1 District child count required by the Oklahoma State Department of Education. Only increases for regular instructional classroom space square footage additions are shown. Renovated/rebuilt schools include information only after renovations/rebuilding.

Source: District records



There will be no discrimination in the District because of race, color, sex, pregnancy, gender, gender expression or identity, national origin, religion, disability, veteran status, sexual orientation, age, or genetic information in its programs, services, activities and employment. The district also provides equal access to the Boy Scouts of America and other designated youth groups.

Broken Arrow Public Schools will take all necessary steps to ensure that each school and work place in the District is free from unlawful discrimination or harassment.

The following people within the District have been designated to handle inquiries regarding the District's non-discrimination policies, issues and concerns:

- For all student issues related to Title VI of the Civil Rights Act of 1964, as amended (questions or complaints based on race, color, and national origin), the Deputy Superintendent should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;
- For all student issues related to Title II of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the Individuals with Disabilities Education Act of 2004 (IDEA) (for questions or complaints based on disability), the Executive Director of Special Services should be contacted at 918-259-5700 or at 701 South Main Street, Broken Arrow, OK 74012;
- For all student issues related to Title IX, of the Education Amendments of 1972 (for questions or complaints based on sex, pregnancy, gender, gender expression or identity), the Assistant Superintendent should be contacted at 918-259-7722 or at 701 South Main Street, Broken Arrow, OK 74012;
- For issues related to accessibility to facilities, services and activities pursuant to the Americans with Disabilities Act, the Associate Superintendent should be contacted at 918-259-5728 or at 701 South Main Street, Broken Arrow, OK 74012;
- For all non-student and/or employment related issues (including questions or complaints based on age), or for any individual who has experienced some other form of discrimination, including discrimination not listed above, the Chief Human Resources Officer should be contacted at 918-259-7724 or at 701 South Main Street, Broken Arrow, OK 74012.

Inquiries concerning non-discrimination can also be made to, and outside assistance obtained from, the United States Department of Education's Office for Civil Rights. The contact information for the Kansas City Enforcement Office is included below:

Office of Civil Rights, U.S. Department of Education

One Petticoat Lane
1010 Walnut Street, Suite 320
Kansas City, MO 64106
Telephone: (816) 268-0550
TTY: (877) 521-2172
Facsimile: (816) 823-1404
Email: OCR.KansasCity@ed.gov

SINGLE AUDIT COMPLIANCE REPORTS
BROKEN ARROW SCHOOL DISTRICT NO. 1-3,
TULSA COUNTY, OKLAHOMA

JUNE 30, 2022



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

BROKEN ARROW SCHOOL DISTRICT NO. I-3
TULSA COUNTY, OKLAHOMA
JUNE 30, 2022

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INDEPENDENT SCHOOL DISTRICT NO. 1-3, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Project Number	Program or Award Amount	Beginning Balance 7/1/2021	Revenue Collected	Total Expenditures	Ending Balance 6/30/2022
<u>U.S. Department of Education</u>							
<u>Direct Programs:</u>							
Title VI-Part A, Indian Education	84.060	561	\$ 540,059		272,917	540,059	(267,142)
Title VI-Part A, Indian Education 2020-21	84.060	799		(213,667)	213,667		
Subtotal - Direct Programs			<u>540,059</u>	<u>(213,667)</u>	<u>486,584</u>	<u>540,059</u>	<u>(267,142)</u>
<u>Passed Through State Department of Education:</u>							
Title I-Part A, Improving Basic Programs	84.010	511	2,146,932		1,073,450	1,892,528	(819,078)
Title I-Part A, Improving Basic Programs 2020-21	84.010	799		(432,287)	432,287		
Title II-Part A, Teacher & Principal Training	84.367	541	638,594		318,680	521,265	(202,585)
Title II-Part A 2020-21	84.367	799		(45,279)	45,279		
<u>Title III Cluster:</u>							
Title III-Immigrant Education	84.365	571	10,783		8,344	10,608	(2,264)
Title III-Immigrant Education 2020-21	84.365	799		(19,746)	19,746		
Title III-English Lang Acq.	84.365	572	113,707		73,071	103,463	(30,392)
Title III-English Lang Acq. 2020-21	84.365	799		(21,208)	21,208		
Subtotal - Title III Program (Cluster)			<u>124,490</u>	<u>(40,954)</u>	<u>122,369</u>	<u>114,071</u>	<u>(32,656)</u>
Title IV-SSAE Grant	84.424A	552	254,223		189,971	231,117	(41,146)
Title IV-SSAE Grant 2020-21	84.424A	799		(9,158)	9,158		
Title IX-Homeless	84.196	596	56,169		51,039	56,068	(5,029)
* Education Stabilization Funding (Covid19):							
ESSERF (Covid19)	84.425D	788	54,570		26,423	39,910	(13,487)
ESSERF (Covid19) 2020-21	84.425D	799		(220,678)	220,678		
ESSER II (Covid19) 2020-21	84.425D	799		(570,231)	570,231		
ESSER II Set Aside (Covid19)	84.425D	794	4,294,182		3,362,105	3,610,644	(248,539)
ARP/ESSER III (Covid19)	84.425U	795	14,366,820		10,634,438	12,174,061	(1,539,623)
ARP/ESSER III Homeless I (Covid19)	84.425U	796	87,687		37,287	42,791	(5,504)
GEER State Level (Covid19)	84.425C	721	239,941		221,358	221,358	
ARP/ESSER Counselor Grant (Covid19)	84.425U	722	540,000		259,000	449,800	(190,800)
ARP/ESSER III OPSTS (Covid19)	84.425U	725			3,498	3,498	
Subtotal - Education Stabilization Fund (Covid19) Cluster			<u>19,583,200</u>	<u>(790,909)</u>	<u>15,335,018</u>	<u>16,542,062</u>	<u>(1,997,953)</u>
<u>Special Education Cluster:</u>							
IDEA-B Staff Development	84.027	613	46,545		1,981	2,984	(1,003)
IDEA-B Monitoring	84.027	615	37,120		18,889	29,677	(10,788)
IDEA-B Monitoring 2020-21	84.027	799		(350)	350		
IDEA-B COVID Assist 2020-21	84.027	799		(3,010)	3,010		
IDEA-B Flowthrough	84.027	621	\$ 4,169,989		2,041,817	3,458,272	(1,416,455)
IDEA-B Flowthrough 2020-21	84.027	799		(842,349)	842,349		

**INDEPENDENT SCHOOL DISTRICT NO. 1-3, TULSA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through	Federal CFDA	Pass-through Grantor's Project	Program or Award	Beginning Balance	Revenue	Total	Ending Balance
<u>Grantor/Program Title</u>	<u>Number</u>	<u>Number</u>	<u>Amount</u>	<u>7/1/2021</u>	<u>Collected</u>	<u>Expenditures</u>	<u>6/30/2022</u>
IDEA-B Private Schools	84.027	625	\$ 19,081		751	1,226	(475)
IDEA-B Private Schools 2020-21	84.027	799		(67)	67		
ARP/IDEA-B Flowthrough	84.027X	628	960,882		5,365	9,412	(4,047)
IDEA-B Preschool	84.173	641	84,001		45,624	68,717	(23,093)
IDEA-B Preschool 2020-21	84.173	799		(16,938)	16,938		
Subtotal - Special Education Program (Cluster)			5,317,618	(862,714)	2,977,141	3,570,288	(1,455,861)
Subtotal - Passed Through State Dept of Education			<u>28,121,226</u>	<u>(2,181,301)</u>	<u>20,554,392</u>	<u>22,927,399</u>	<u>(4,554,308)</u>
<u>Passed Through State Department of Career and Technology Education:</u>							
Carl Perkins Grant	84.048	421	91,975		64,148	84,291	(20,143)
Carl Perkins Grant 2020-21	84.048	799		(7,898)	7,898		
Carl Perkins Supplemental Grant	84.048	424	72,933		56,372	69,584	(13,212)
Subtotal - Carl Perkins Grant			<u>164,908</u>	<u>(7,898)</u>	<u>128,418</u>	<u>153,875</u>	<u>(33,355)</u>
<u>U.S. Department of Agriculture:</u>							
<u>Passed Through State Department of Education:</u>							
Child Nutrition Cluster:							
Cash Assistance:							
CCC	10.555	759			387,474		387,474
EBT Assist	10.649	760			5,814	5,814	
Emergency Operational Cost Reimbursement	10.555	762			380,182	380,182	
National School Lunch Program	10.555	763		1,352,441	8,415,230	3,943,776	5,823,895
School Breakfast Program	10.553	764		(57,903)	1,878,189	1,878,189	(57,903)
Summer Food Program	10.559	766			187,390	187,390	
Cash Assistance Subtotal				<u>1,294,538</u>	<u>11,254,279</u>	<u>6,395,351</u>	<u>6,153,466</u>
<u>Passed Through State Department of Human Services:</u>							
Non-cash Assistance (Commodities)	10.555	N/A			779,623	779,623	
Subtotal - Child Nutrition Program (Cluster)				<u>1,294,538</u>	<u>12,033,902</u>	<u>7,174,974</u>	<u>6,153,466</u>
<u>Other Federal Assistance:</u>							
Johnson O'Malley	15.130	563	119,500		56,164	66,048	(9,884)
Johnson O'Malley 2020-21	15.130	799		(29,104)	29,104		
Johnson O'Malley 3 month	15.130	564	83,609		83,609	83,609	
Rehabilitation Services	84.126	456	45,204		45,204	47,902	(2,698)
Child Care and Development Block Grant	93.575	772	98,000	2,666	98,000	1,887	98,779
Medicaid	93.778	698	422,237		422,237	422,237	
JROTC	12.401	773	74,442		74,442	76,578	(2,136)
Flood Control	12.112	770	88		88	88	
Subtotal - Other Federal Assistance			<u>843,080</u>	<u>(26,438)</u>	<u>808,848</u>	<u>698,349</u>	<u>84,061</u>
Total Federal Assistance			<u>\$ 29,669,273</u>	<u>(1,134,766)</u>	<u>34,012,144</u>	<u>31,494,656</u>	<u>1,382,722</u>

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

1. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Broken Arrow School District (the District). The District reporting entity is defined in the notes to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through from other government agencies are included on the schedule. There were no amounts passed to subrecipients.

2. Basis of Accounting

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Expenditures are reported on the regulatory basis of accounting, as prescribed by the Oklahoma State Department of Education, which is considered an other comprehensive basis of accounting. Therefore, some material presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has also elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

3. Non-cash Federal Awards

The District receives food commodities from the U.S. Department of Agriculture for use in its foodservice program. The commodities, in the amount of \$779,623 are recognized as revenue when received and are reported at fair market value.

4. Prior Year Reimbursements

These amounts represent reimbursements for prior year expenditures which were not received until the current fiscal year.

BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY
SCHEDULE OF SURETY BONDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>BONDING COMPANY</u>	<u>POSITION COVERED</u>	<u>BOND NUMBER</u>	<u>COVERAGE AMOUNT</u>	<u>EFFECTIVE DATES</u>
Liberty Mutual Surety	Superintendent	601124057	\$100,000	7/21/21-7/21/22
	Chief Financial Officer	601091769	\$100,000	5/27/22-5/27/23
	Treasurer	LSF041327	\$500,000	7/17/21-7/17/22
	Dep. Treasurer	999070634	\$100,000	9/28/21-9/28/22
	Activity Fund Custodian	LSF041327	\$500,000	7/17/21-7/17/22
	Payroll Director	LSF041383	\$100,000	7/1/21-7/1/22
	Encumbrance Clerk	LSF231535	\$1,000	7/29/21-7/29/22
	Dep. Encumbrance Clerk	999078081	\$1,000	11/9/21-11/9/22
	Minutes Clerk	601024875	\$1,000	4/1/22-4/1/23
	Dep. Minutes Clerk	601124998	\$1,000	9/1/21-9/1/22



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Board of Education
Broken Arrow School District
Broken Arrow, OK 74012

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Broken Arrow School District No. I-003, Broken Arrow, Oklahoma, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 7, 2022. This report was unqualified with respect to the presentation of the financial statements in conformity with accounting principles generally accepted in the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 7, 2022



JENKINS & KEMPER
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

JACK JENKINS, CPA
MICHAEL KEMPER, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Board of Education
Broken Arrow School District No. I-003
Broken Arrow, Oklahoma 74012

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Broken Arrow School District No. I-003, Broken Arrow, Oklahoma's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Broken Arrow School District No. I-003, Broken Arrow, Oklahoma complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (The Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Broken Arrow School District No. I-003, Broken Arrow, Oklahoma and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment

made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Jenkins & Kemper, CPAs P.C.

Jenkins & Kemper
Certified Public Accountants, P.C.

November 7, 2022

BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JULY 1, 2021 TO JUNE 30, 2022

Summary of Auditor's Results

1. The auditor's report expresses an unqualified opinion on the combined financial statements in conformity with generally accepted accounting principles.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of the District were reported during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance".
5. An unqualified opinion report was issued on the compliance of major federal award programs.
6. The audit disclosed no audit findings and questioned costs, which are required to be reported under the Uniform Guidance.
7. Identification of Major Programs: Education Stabilization Fund Programs (84.425C,84.425D,84.425U), which were clustered in the determination.
8. The dollar threshold used to determine between Type A and Type B programs was \$750,000.
9. The District did qualify to be a low-risk auditee.

Findings – Financial Statement Audit

None

Findings and Questioned Costs – Major Federal Award Programs Audit

None

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY
DISPOSITION OF PRIOR YEAR'S SCHEDULE OF FINDINGS
JULY 1, 2021 TO JUNE 30, 2022**

There were no material prior year audit findings.

**BROKEN ARROW SCHOOL DISTRICT NO. I-3, TULSA COUNTY
SCHEDULE OF ACCOUNTANT'S PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
JULY 1, 2021 TO JUNE 30, 2022**

State of Oklahoma)
County of Tulsa)

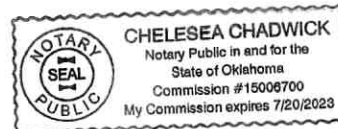
The undersigned auditing firm representative of lawful age, being first duly sworn on oath, says that said firm had in full force and effect Accountant's Professional Liability Insurance in accordance with the "Oklahoma Public School Audit Law" at the time of audit contract and during the entire audit engagement with Broken Arrow School District for the audit year 2021-22.

Jenkins & Kemper, CPAs, P.C.
AUDITING FIRM

BY 
AUTHORIZED AGENT

Subscribed and sworn to before me on this
7th day of, November, 2022


NOTARY PUBLIC





OKLAHOMA Education

Audit Acknowledgement

Audit Year: 2021-2022

District Name Broken Arrow Public School

District Number 1-3

County Name Tulsa

County Code 72

The annual independent audit was presented to the Board of Education in a meeting conducted in

accordance with the Open Meeting Act 25 O.S. Section 301-314 on 12.5.2022.

Date of Meeting

The audit was presented by Jenkins & Kemper, CPAs P.C.

(Independent Auditor)

(Independent Auditor's Signature)

The School Board acknowledges that as the governing body of the district, responsible for the district's financial and compliance operations, the audit findings and exceptions have been presented to them.

A copy of the audit, including this acknowledgement form, will be sent to the State Board of Education and the State Auditor and Inspector within 30 days from its presentation, as stated in 70 O.S. § 22-108:

"The district board of education shall forward a copy of the auditor's opinions and related financial statements to the State Board of Education and the State Auditor and Inspector within thirty (30) days after receipt of the audit."

Signature of the Board of Education:

Superintendent

Board of Education President

Board of Education Vice President Jerry Denton

Board of Education Member Brandy Rowlet

Board of Education Member John Lovell

Board of Education Member

Board of Education Member



Subscribed and sworn before me on 5th December

My Commission expires 12.2024

Janet L. Brown

(Notary Public)